

By Mr. KELLY: A bill (H. R. 10290) for the relief of Joseph Nicholas Lusson; to the Committee on Naval Affairs.

By Mr. LEWIS of Colorado: A bill (H. R. 10291) for the relief of Edwin L. McCulloch; to the Committee on Claims.

By Mr. PLUMLEY: A bill (H. R. 10292) granting a pension to Clara L. Garvin; to the Committee on Invalid Pensions.

By Mr. SCHAEFER: A bill (H. R. 10293) granting a pension to Antonia Kuehn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10294) granting a pension to Sarah E. Linder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10295) granting an increase of pension to Mary E. Straube; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10296) granting an increase of pension to Katharina Reis; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10297) authorizing the President of the United States to appoint Corp. Robert Slover as a first lieutenant in the United States Marine Corps and place him on the retired list; to the Committee on Military Affairs.

Also, a bill (H. R. 10298) granting a pension to Clellia S. Irvin; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 10299) granting a pension to John Charles Inglee; to the Committee on Pensions.

Also, a bill (H. R. 10300) granting an increase of pension to Fannie McGuire; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 10301) granting a pension to Helen R. Pitney; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9514. By Mr. BACON: Petition of sundry residents of Nassau County, N. Y., favoring the restoration of prohibition in the District of Columbia; to the Committee on the District of Columbia.

9515. Also, petition of the membership of the Nassau Independent Citizens Club, Rockville Centre, Long Island, N. Y., protesting against any American association with League of Nations sanctions activities; to the Committee on Foreign Affairs.

9516. Also, petition of the Crusaders of Nassau County, N. Y., urging the rescission of Russian recognition, the deportation of aliens belonging to any group proposing change or overthrow of this Government by force or violence, and the deportation of all aliens of illegal entry; to the Committee on Immigration and Naturalization.

9517. By Mr. CULKIN: Petition of Beaver Falls (N. Y.) Grange, Patrons of Husbandry, No. 554, petitioning Congress to annul the Canadian reciprocal trade agreement; to the Committee on Agriculture.

9518. Also, petition of Isabella Council, No. 873, Knights of Columbus, urging that 50 percent of wave lengths or frequencies be allotted to labor and similar non-profit-making and human welfare associations; to the Committee on Interstate and Foreign Commerce.

9519. Also, petition of the National Camp, Patriotic Order Sons of America, petitioning Congress to grant no further governmental relief to unnaturalized aliens, and to deport all aliens who are deportable under our laws; to the Committee on Immigration and Naturalization.

9520. By Mr. KENNEY: Petition of the Patriotic Order Sons of America, advocating the registration of all unnaturalized aliens in the United States, etc.; to the Committee on Immigration and Naturalization.

9521. By Mr. O'CONNELL: Resolution petitioning Congress to restore to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

9522. By Mr. PLUMLEY: Petition of the Franklin County Pomona Grange, protesting against the Canadian treaty; to the Committee on Foreign Affairs.

9523. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of the immediate cash payment

of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

9524. By Mr. WERNER: Petition of 52 citizens of the Second Congressional District, South Dakota, patrons of star route no. 61201, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9525. Also, petition of 62 citizens of the Second Congressional District, South Dakota, patrons of star route no. 25229, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9526. Also, petition of 103 citizens of the Second Congressional District, South Dakota, patrons of star route no. 59271, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9527. By the SPEAKER: Petition of the county court of Bledsoe County, Tenn.; to the Committee on Foreign Affairs.

9528. Also, petition of the National Annuity League of California; to the Committee on Rules.

SENATE

THURSDAY, JANUARY 16, 1936

The Chaplain, Rev. Zeb Barney T. Phillips, D. D., offered the following prayer:

Blessed Savior, who at this hour didst hang upon the cross stretching forth Thy loving arms: grant that as we thus behold Thee we may love Thee more and more, and loving Thee may hate those sins from which Thou hast redeemed us. Have mercy upon all who are in want; comfort those who are in sorrow; enlighten the perplexed; strengthen the faint-hearted; and by Thine own example kindle in us all the flame of true devotion to our country and our God.

And when life's golden days have winged their flight and we no longer barter time for good, nor have the power to heap up life or buy one added hour, do Thou then receive us unto Thyself that where Thou art there we may be also. We ask it for Thy sake, who died to save us all. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Monday, January 13, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan; and

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox.

The message also announced that the House had passed the bill (S. 1277) to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills

of interpleader, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 2434) for the relief of George W. Hallowell, Jr., with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROGERS of Oklahoma, Mr. MURDOCK, and Mr. BURDICK were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8820. An act to amend section 907 of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, up to and including June 7, 1924; and

H. R. 8821. An act to define the crime of bribery and to provide for its punishment.

The message communicated to the Senate House Resolution No. 396, as follows:

Resolved, That the bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes", in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 430) for the relief of Anna Hathaway, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	O'Mahoney
Ashurst	Coolidge	Holt	Overton
Austin	Copeland	Johnson	Pittman
Bachman	Costigan	Keyes	Pope
Bailey	Couzens	King	Radcliffe
Bankhead	Davis	La Follette	Robinson
Barbour	Dickinson	Lewis	Russell
Barkley	Dieterich	Logan	Schwellenbach
Benson	Donahay	Loneragan	Sheppard
Bilbo	Duffy	McAdoo	Shipstead
Borah	Fletcher	McGill	Smith
Brown	Frazier	McKellar	Steiwer
Bulkley	George	McNary	Thomas, Okla.
Bulow	Gerry	Maloney	Thomas, Utah
Burke	Gibson	Minton	Townsend
Byrd	Glass	Moore	Trammell
Byrnes	Gore	Murphy	Truman
Capper	Guffey	Murray	Vandenberg
Caraway	Hale	Neely	Van Nuys
Carey	Harrison	Norbeck	Wagner
Chavez	Hastings	Norris	Walsh
Clark	Hatch	Nye	White

Mr. LEWIS. I announce the absence of the Senator from Washington [Mr. BOWEN] in attendance upon the funeral of the Hon. Wesley Lloyd, late a Representative in Congress from the State of Washington. I also announce that the Senator from Nevada [Mr. McCARRAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. BANKHEAD. I announce the necessary absence for the morning of my colleague, the senior Senator from

Alabama [Mr. BLACK]. He may be able to be in the Senate later in the day.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

REPORTS FILED DURING ADJOURNMENT OF SENATE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read and ordered to lie on the table, as follows:

JANUARY 16, 1936.

To the President of the Senate:

Under the order of the Senate of the 13th instant, committee reports were filed with me as Secretary of the Senate as follows:

On January 14, 1936:

By Mr. HARRISON, from the Committee on Finance, favorably, the following nominations:

John A. Tyson, of Mississippi, to be a member of the Board of Tax Appeals;

Lyle T. Alverson, of New York, to be Acting Executive Director of the National Emergency Council;

Thomas F. Mulcahy, of San Francisco, Calif., to be comptroller of customs in collection district no. 28; and

Assistant Dental Surgeon Joseph J. Dunlay to be passed assistant dental surgeon in the Public Health Service, and certain other nominations therein.

By Mr. CLARK, from the Committee on Finance, the nomination of Milton E. Carter, of Kansas City, Mo., to be assistant to the Commissioner of Internal Revenue.

By Mr. GUFFEY, from the Committee on Finance, the nomination of Leo A. Ivory, of Wilkinsburg, Pa., to be collector of customs for customs collection district no. 12.

On January 15, 1936:

By Mr. HARRISON, from the Committee on Finance, with an amendment, the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancellation of unpaid interest accrued on loans secured by such certificates, and for other purposes, with an accompanying report (No. 1465).

Very respectfully,

E. A. HALSEY,
Secretary of the Senate.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT, in accordance with the provisions of law, appointed the Senator from Virginia [Mr. BYRD], the senior Senator from New Hampshire [Mr. KEYES], the junior Senator from New Hampshire [Mr. BROWN], and the Senator from California [Mr. JOHNSON] as members of the Board of Visitors on the part of the Senate to visit the United States Naval Academy at Annapolis, Md.

NORTHWEST TERRITORY CELEBRATION COMMISSION

The VICE PRESIDENT appointed the Senator from Indiana [Mr. VAN NUYS] and the Senator from Michigan [Mr. VANDENBERG] as the members on the part of the Senate of the Northwest Territory Celebration Commission, established under the joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory, approved August 2, 1935.

GEORGE W. HALLOWELL, JR.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2434) for the relief of George W. Hallowell, Jr., which was, on page 1, line 15, after "1932", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. JOHNSON. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

JURISDICTION OF BILLS OF INTERPLEADER

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1277)

to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, which were, on page 1, after line 2, to strike out all down to and including "follows", in line 5, and insert "That section 24 of the Judicial Code, as amended, is amended by inserting at the end thereof the following"; on page 1, line 7, after "pleader", to insert "and of bills in the nature of interpleader"; on page 3, line 25, to strike out "be"; on page 4, line 16, to strike out "Code" and insert "Code,"; on page 4, line 17, to strike out "Sec." and insert "Sec."; on page 5, line 4, strike out hereby." and insert "hereby."

And to amend the title so as to read: "An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, and of bills in the nature of interpleader."

Mr. BARKLEY. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

REPORT OF THE DIRECTOR OF EMERGENCY CONSERVATION WORK

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Education and Labor, as follows:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the report of the Director of Emergency Conservation Work, embracing the activities of that organization which includes the group popularly known as the Civilian Conservation corps, for the period April 5, 1933, through June 30, 1935. Text and tables are included, showing in considerable detail the extensive activities of this organization in relieving unemployment, providing for the restoration of the country's natural resources, and assisting in the program of national recovery.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1936.

REPORT OF GOVERNMENT OF THE DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the president of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the operations of the government of the District of Columbia for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORTS OF THE LIBRARY OF CONGRESS

The VICE PRESIDENT laid before the Senate a letter from the Librarian of Congress, transmitting, pursuant to law, his annual report as Librarian of Congress, together with the report of the Register of Copyrights, for the fiscal year ended June 30, 1935, which, with the accompanying reports, was referred to the Committee on the Library.

NOVEMBER REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, reporting, pursuant to law, relative to the activities and expenditures of the Corporation for November 1935, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of Massachusetts, favoring the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

(See resolutions printed in full when presented today by Mr. COOLIDGE, p. 459.)

The VICE PRESIDENT also laid before the Senate a letter from Mrs. Emile Bienvenu, of New Orleans, La., transmitting resolutions adopted by a mass meeting at New Orleans, La., of the Democratic Party of that State, protesting against any Federal interference or control over primary elections in the State of Louisiana, which, with the accom-

panying paper, was referred to the Committee on Privileges and Elections.

Mr. COOLIDGE presented the following resolutions of the General Court of Massachusetts, which were ordered to lie on the table:

Resolutions memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War

Whereas it appears that present national economic conditions warrant the extension of adequate relief to a large number of those who served in the armed forces of the United States Government during the recent World War; and

Whereas it appears that adjusted-service certificates were issued to those mentioned above by the Director of the United States Veterans' Bureau in compliance with section 501 of title V of the World War Adjusted-Compensation Act; and

Whereas it appears that it is the consensus of opinion and the desire of a large number of those who have received the above-mentioned certificates to realize the immediate cash value of their adjusted-service certificates: Therefore be it

Resolved, That the General Court of Massachusetts respectfully represents to Congress and the President of the United States the advisability of providing for the immediate payment to war veterans of the face value of their adjusted-service compensation certificates; and be it further

Resolved, That a copy of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States, the Presiding Officers of both branches of Congress, and to the Members thereof representing this Commonwealth.

Mr. WALSH presented papers in the nature of petitions from Local Union No. 2384, of Webster, and Local Union No. 2332, of Northbridge, both of the United Textile Workers of America, in the State of Massachusetts, praying for the enactment of House bill 9072, known as the National Textile Act, which were referred to the Committee on Education and Labor.

He also presented a memorial of sundry citizens of Springfield, Mass., remonstrating against the neutrality policy of the administration, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Sixty-third Great Sun Council, Improved Order of Red Men, of the Great Council of Massachusetts, favoring the enactment of legislation creating a Bureau of Alien Deportation in the Department of Justice, which was referred to the Committee on Immigration.

Mr. WALSH. I present copy of resolutions, similar to those offered today by my colleague [Mr. COOLIDGE] and printed elsewhere in the RECORD, from the Massachusetts General Court, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War.

The VICE PRESIDENT. The resolutions will be received and lie on the table.

Mr. COPELAND presented resolutions adopted by the Quaker Springs Local of the New England Milk Producers' Association, and Lewis County Pomona Grange, both of the State of New York, favoring the enactment of legislation imposing an additional tax upon oleomargarine, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the annual meeting of the National Association of Sales Finance Companies, favoring the nonextension of activities of the E. H. F. A. into urban communities; the cessation of the activities of F. H. A. in respect of small movable chattels, and that title I of the National Housing Act expiring in April 1936 be not renewed in terms authorizing the continuance of credit insurance on the financing of small chattels, which were referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Warehousemen's Association of the Port of New York, N. Y., protesting against the use of certain water-front terminal property acquired by the Government pursuant to an act of Congress authorizing the taking of property for war purposes, which was referred to the Committee on Commerce.

He also presented a letter from the commander of the New York Chapter, the American Veterans Association, enclosing copy of a telegram addressed to Mr. Ray Murphy, national commander of the American Legion, stating in part, "New

York Chapter of the American Veterans Association urges you as leader of the largest organization of World War Veterans to reaffirm the American Legion policy as regards service pensions as declared at the Fourth National Convention of the American Legion held at New Orleans in 1922, wherein the Legion recorded itself as being opposed to the creation of a general pension system", etc., which, with the accompanying paper, was referred to the Committee on Finance.

He also presented resolutions of the Crusaders Democratic League, Inc., and St. Vito of Ciminna Society, both of Brooklyn; the Italo-American Union, Sons of Italy, of Schenectady; the Ravanusa Club, of Buffalo; and an organization of the nineteenth assembly district, all in the State of New York, protesting against the neutrality policy of the administration, which were referred to the Committee on Foreign Relations.

He also presented a resolution of Isabella Council, No. 873, Knights of Columbus, Brooklyn, N. Y., favoring the allocation of 50 percent of radio frequencies or wave lengths to educational, religious, agricultural, labor, and similar non-profit-making associations, which was referred to the Committee on Interstate Commerce.

He also presented the petition of Harry J. Green and sundry other citizens of Williamsville and vicinity, New York, praying for the enactment of legislation granting additional salary to rural mail carriers employed on unusually densely populated routes, which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by Branch No. 12, Yugoslav Federation of the Socialist Party, and Lodge No. 728, "Gewanda Boosters", Slovene National Benefit Society, both of Gewanda, and Lodge No. 211, Slovene Progressive Benefit Society, all in the State of New York, favoring the adoption of a so-called workers' rights amendment to the Constitution, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

Mr. SMITH. From the Committee on Agriculture and Forestry I report back favorably with an amendment the bill (S. 3612) to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes, and I submit a report (No. 1466) thereon. I desire to state that this bill is identical with the one passed last year; and I think all the members of the committee join me in hoping we may get early action, because, if relief is to be given, it must be given before planting time.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3596) to provide for making rental and benefit payments to farmers who have made crop-adjustment contracts with the Secretary of Agriculture, reported it without amendment.

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 7814. A bill to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes (Rept. No. 1467); and

H. R. 7995. A bill to authorize a preliminary examination of the Arkansas River and Fourche Bayou, with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark. (Rept. No. 1468).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 13, 1936, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 85. An act for the relief of Homer H. Adams;

S. 978. An act authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation;

S. 1059. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934;

S. 1422. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant;

S. 1690. An act for the relief of R. G. Andis;

S. 2252. An act for the relief of Henry Hilbun;

S. 2257. An act to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes;

S. 2519. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others;

S. 2616. An act for the relief of the estate of Joseph Y. Underwood;

S. 2673. An act for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2845. An act to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy;

S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.;

S. 2996. An act for the relief of the Eberhart Steel Products Co., Inc.;

S. 3077. An act for the relief of Constantin Gilia;

S. 3078. An act for the relief of C. R. Whitlock;

S. 3195. An act for the relief of Guiry Bros. Wall Paper & Paint Co.;

S. 3280. An act for the relief of Doris Allen; and

S. J. Res. 144. Joint resolution to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AUSTIN:

A bill (S. 3655) for the relief of the Vermont Transit Co., Inc.; to the Committee on Claims.

By Mr. McADOO:

A bill (S. 3656) for the relief of Harriet L. Liggett; and

A bill (S. 3657) granting a pension to Dora F. Babbitt; to the Committee on Pensions.

By Mr. BENSON:

A bill (S. 3658) to provide vocational training and employment for youth between the ages of 16 and 25; to provide for full educational opportunities for high school, college, and postgraduate students; and for other purposes; to the Committee on Education and Labor.

By Mr. LOGAN:

A bill (S. 3659) to promote the efficiency of the Judge Advocate General's Department of the Army; to the Committee on Military Affairs.

By Mr. HATCH:

A bill (S. 3660) granting a pension to Mrs. A. O. Carson and Charles S. Brown; to the Committee on Pensions.

A bill (S. 3661) to provide for the granting of public lands, including the minerals therein, to the States in which they

are located, subject to certain terms, conditions, reservations, and exceptions, and also subject to acceptance by each individual State; for the elimination of lands from national forests, parks, reservations, and withdrawals in connection with such grants; for changes in the collection and expenditure of moneys for the United States reclamation fund and other changes relating to the Reclamation Service; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WHITE:

A bill (S. 3662) for the relief of F. A. Rumery & Sons, of Portland, Maine; to the Committee on Claims.

A bill (S. 3663) to correct the military record of William Connelly, alias William E. Connoley; to the Committee on Military Affairs.

A bill (S. 3664) granting a pension to Essie M. Cotton;

A bill (S. 3665) granting a pension to John H. Johnson;

A bill (S. 3666) granting an increase of pension to Dora B. Bridges;

A bill (S. 3667) granting an increase of pension to Mary E. Stevenson; and

A bill (S. 3668) granting a pension to John Wesley Heal; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 3669) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

A bill (S. 3670) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade, quality, and quantity, and for other purposes; to the Committee on the Judiciary.

By Mr. RUSSELL:

A bill (S. 3671) for the relief of Howard Hefner; to the Committee on Claims.

A bill (S. 3672) to amend the Judicial Code to create a new district in the State of Georgia, known as the north-eastern district, and for other purposes; to the Committee on the Judiciary.

By Mr. BACHMAN:

A bill (S. 3674) for the relief of Thomas J. Jackson; to the Committee on Military Affairs.

A bill (S. 3675) for the relief of Smith Wall; and

A bill (S. 3676) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Robert Judson McGarry; to the Committee on Claims.

A bill (S. 3677) granting an increase of pension to Rufus M. Barnes;

A bill (S. 3678) granting a pension to Annie Hankal;

A bill (S. 3679) granting a pension to Rue S. Jackson; and

A bill (S. 3680) granting a pension to Thomas Scott; to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 3681) granting an increase of pension to Carrie Henger; to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 3682) for the relief of Stillwell Bros., Inc.; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3683) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department (with accompanying papers); and

A bill (S. 3684) to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War (with accompanying papers); to the Committee on Claims.

A bill (S. 3685) for the relief of George Rabcinski;

A bill (S. 3686) to amend that provision of the act approved March 3, 1879 (20 Stat. L. 412), relating to issue of arms and ammunition for the protection of public money and property;

A bill (S. 3687) to validate payments, and to relieve the accounts of disbursing officers of the Army on account of

payments made to Reserve officers on active duty for rental allowances; and

A bill (S. 3688) to validate payments, and to relieve disbursing officers' accounts of payments, made to Reserve officers promoted while on active duty; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 3689) granting a pension to Matilda Davison; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3690) for the relief of Dr. R. N. Harwood; and

A bill (S. 3691) for the relief of N. N. Self; to the Committee on Claims.

By Mr. CAREY:

A bill (S. 3692) for the relief of William T. J. Ryan; and

A bill (S. 3693) to increase the efficiency of the Medical Corps of the Regular Army; to the Committee on Military Affairs.

By Mr. BULOW:

A bill (S. 3694) for the relief of William C. Willahan; to the Committee on Indian Affairs.

By Mr. NEELY:

A bill (S. 3695) for the relief of B. G. Moore; to the Committee on Commerce.

A bill (S. 3696) granting a pension to Charles Rufus Koon; and

A bill (S. 3697) granting a pension to Hattie Jane Koon; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 3698) for the relief of Exum M. Haas; to the Committee on Claims.

A bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years; to the Committee on Banking and Currency.

By Mr. WALSH:

A bill (S. 3700) for the relief of the State of Massachusetts; to the Committee on the Judiciary.

A bill (S. 3701) granting a pension to Clara B. Cutter (with accompanying papers);

A bill (S. 3702) granting a pension to Joseph H. Furlong (with accompanying papers);

A bill (S. 3703) granting a pension to Mary D. Rice (with accompanying papers);

A bill (S. 3704) granting a pension to Elizabeth Rose Clark;

A bill (S. 3705) granting a pension to Beatrice E. Duke;

A bill (S. 3706) granting a pension to Susie Fiedler;

A bill (S. 3707) granting an increase of pension to Cynthia J. A. Grant;

A bill (S. 3708) granting a pension to George E. Kenson;

A bill (S. 3709) granting a pension to Emma J. Moore;

A bill (S. 3710) granting an increase of pension to Lucy J. Whipple; and

A bill (S. 3711) granting a pension to Mary J. Winslow; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3712) granting an increase of pension to Jane A. McNelly; to the Committee on Pensions.

By Mr. BYRD:

A bill (S. 3713) for the relief of Earl Thomas Dodd; to the Committee on Claims.

A bill (S. 3714) to amend the act of March 4, 1915 (38 Stat. 1068-1069), authorizing the President to transfer to the active list of the Army certain officers on the retired list; to the Committee on Military Affairs.

A bill (S. 3715) for the relief of Roscoe McKinley Meadows; to the Committee on Naval Affairs.

By Mr. NEELY:

A bill (S. 3716) granting a pension to Ella A. Barker; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3717) to provide for hurricane control in the Gulf of Mexico and environs during the hurricane season; to the Committee on Commerce.

A bill (S. 3718) for the relief of Sam and Garrett Burk, of San Saba County, Tex.; and
 A bill (S. 3719) for the relief of Col. Dan T. Moore, Field Artillery Reserve, United States Army; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 3720) to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; to the Committee on Naval Affairs.

By Mr. CONNALLY:

A bill (S. 3721) to provide for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas; to the Committee on Banking and Currency.

A bill (S. 3722) to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"; to the Committee on the Library.

By Mr. SHIPSTEAD:

A bill (S. 3723) granting an annuity to Theresa E. Thoreson; to the Committee on Civil Service.

By Mr. KING (by request):

A joint resolution (S. J. Res. 188) to declare the 12th day of October of each year, commonly celebrated and known as Columbus Day, to be a legal public holiday; to the Committee on the Judiciary.

By Mr. GEORGE (by request):

A joint resolution (S. J. Res. 189) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. BENSON:

A joint resolution (S. J. Res. 190) to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States; to the Committee on Indian Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 191) to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout jamboree now scheduled to be held in 1937; to the Committee on Immigration.

A joint resolution (S. J. Res. 192) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. BANKHEAD:

A joint resolution (S. J. Res. 193) making appropriations to enable the Secretary of Agriculture to meet commitments and obligations, including administrative expenses, incurred under the provisions of the Agricultural Adjustment Act, as amended, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BACHMAN:

A joint resolution (S. J. Res. 194) for the relief of Hal G. Saunders; to the Committee on Military Affairs.

By Mr. WALSH:

A joint resolution (S. J. Res. 196) to correct errors in the enrollment of Private Act No. 349, Seventy-fourth Congress, approved August 29, 1935, and to clarify the duties of the Comptroller General in connection with said act; to the Committee on Education and Labor.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 197) authorizing construction of a memorial building to commemorate the Treaty of Greenville at Greenville, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. THOMAS of Utah:

A joint resolution (S. J. Res. 198) to extend for 1 year the joint resolution approved August 31, 1935, relating to neutrality; to the Committee on Foreign Relations.

SUSPENSION OF GIN TAX

Mr. RUSSELL. I introduce a joint resolution for the suspension of the gin tax provided for in the so-called Bankhead Cotton Control Act, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the joint resolution (S. J. Res. 195) for the suspension of the gin tax provided for in the so-called Bankhead Cotton Control Act, approved April 21, 1934, as amended, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 195

Joint resolution for the suspension of the gin tax provided for in the so-called Bankhead Cotton Control Act, approved April 21, 1934, as amended

Whereas the Supreme Court of the United States in its recent decision declaring unconstitutional and invalid the act of Congress establishing the Agricultural Adjustment Administration clearly indicated that, in the opinion of a majority of the Court, the act commonly known as the Bankhead cotton control measure was unconstitutional, null, and void; and

Whereas, on account of the lack of a case pending in the Supreme Court properly presenting for the determination of that body the question of the constitutionality of the Bankhead Cotton Control Act, the cotton producers of the Nation are shackled with a program of mandatory control of production without being permitted the benefit payments from the Treasury of the United States for the reduction in production of this commodity, thereby leaving cotton as the only great essential commodity under drastic mandatory restrictions as to production; and

Whereas under said Bankhead Cotton Control Act taxes are now being collected from the cotton producers of the United States on all cotton ginned in excess of the allotment to such farmers allowable under the terms of said Bankhead Cotton Control Act, and said taxes are being collected by virtue of an act which, under the decision in the A. A. A. case, is certain to be declared unconstitutional by the Supreme Court when the question is properly presented; and

Whereas gin taxes in the amount of thousands of dollars have already been illegally collected from cotton producers on all cotton ginned by them in excess of their allotment, and recovery of said taxes will result in great confusion, expense, and difficulty both to the producers who have paid said taxes and to the Government of the United States and its agents and officials, and will cause much litigation and legislation in the adjustment of refunds; and

Whereas it is inconsistent with sound public policy to collect any further taxes under an act already clearly designated by the Supreme Court as null and void, and it is, further, unfair to the producers of cotton to limit their production to definite allotments, some of which are too small to permit such producers to earn a livelihood, while denying such producers any benefit payments as provided in the Agricultural Adjustment Act: Therefore be it

Resolved, etc., That the gin tax provided for in the Bankhead Cotton Control Act, the same being an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in bringing cotton into the channels of interstate and foreign commerce, and to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934, as amended, be, and the same is hereby, suspended.

ALLOCATION OF EMERGENCY RELIEF FUNDS

Mr. DAVIS. I introduce a bill to provide for the allocation of emergency relief funds, which I ask may be referred to the Committee on Appropriations.

The bill (S. 3673) to provide for the allocation of funds appropriated by the Emergency Relief Appropriation Act of 1935 was read twice by its title and referred to the Committee on Appropriations.

Mr. DAVIS subsequently said: Mr. President, earlier in the day I introduced a bill (S. 3673) to provide for the allocation of funds appropriated by the Emergency Relief Appropriation Act of 1935 through the administrative agencies of local governmental units. At that time I asked that the bill be referred to the Committee on Appropriations.

The bill provides that all funds appropriated by the Emergency Relief Appropriation Act of 1935 which have not been expended prior to the enactment of this act, except funds allocated for expenditure for Federal projects or for expenditure by the State highway departments of the several States,

shall be allocated by the President to the several States in proportion to their respective populations.

It further provides that any municipality or local political subdivision of the several States may submit relief or work-relief projects to the President for his approval.

It further provides that funds so allocated by the President shall be paid to the governing boards or bodies of local governmental units whose projects have been approved and administered in such manner and under such regulations as they may prescribe. The President may require of such governing boards or bodies such reports as are reasonably necessary to show that the funds so paid are expended only to carry out such projects.

An appropriation of \$1,200,000,000 from the unexpended balance of the work-relief fund, allocated on a per capita basis to the various political subdivisions of the country, would enable local officials to sponsor substantial construction projects, create jobs for the unemployed in their respective communities, create markets for materials and equipment necessary to carry out the program, thus starting the wheels of private industry, creating additional jobs in a normal and orderly manner.

The administration of the works relief program and funds by locally elected officials would save millions of dollars in the cost of administration, wipe out partisan politics as the dominant factor in employing men, put an end to red tape and delay in getting projects under way, and result in work projects of a more substantial character.

This proposal can in no way be considered a partisan matter. The allocation of funds would be made on the basis of population. The approval of projects would be in the hands of the President. The administration of funds and the direction of the relief and work-relief programs would be entrusted to local governmental officials, irrespective of their party affiliations.

The purpose of the Federal Government to provide relief for the unemployed has been clearly demonstrated. The relief program has failed to accomplish its purpose, because it has been administered centrally rather than locally. Democratic processes of government are more responsive in small areas than in larger ones. With Federal money at their disposal there is every reason to believe that local government officials, under the pressure of local public opinion, would give a far more efficient administration of the taxpayer's money than is possible under the present plan of long-range administration from Washington.

Every effort should be made to stimulate private business and build up private pay rolls. This can be accomplished more effectively when there is a local coordination between relief administration and private business enterprise. It is impossible for Federal officials working in and out of Washington to meet local needs as satisfactorily as local officials who have to rub shoulders day by day with the taxpayers who foot the relief bill. The transfer of the administration of relief to local governmental agencies is inevitable. The most expert opinion of statesmen and social welfare leaders points in this direction. Such a move, coming at this time, would be a tribute to the sagacity of the present administration and would show indisputably that relief is a public-welfare measure and not a political weapon.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES—AMENDMENTS

Mr. KING submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. BULKLEY submitted an amendment, and Mr. HAYDEN and Mr. HATCH, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control and other purposes, which were referred to the Committee on Commerce and ordered to be printed.

CHANGES OF REFERENCE

On motion of Mr. NEELY, the Committee on Pensions was discharged from the further consideration of the following bills, and they were referred to the Committee on Finance:

S. 1201. An act granting a pension to Harry F. McCray; and

S. 2613. An act granting a pension to John D. Licklider.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8820. An act to amend section 907 of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, up to and including June 7, 1924; and

H. R. 8821. An act to define the crime of bribery and to provide for its punishment.

COMPILATION OF LAWS ADMINISTERED BY VETERANS' ADMINISTRATION

Mr. NORRIS submitted the following concurrent resolution (S. Con. Res. 27), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring). That the Administrator of Veterans' Affairs is requested to prepare and transmit to the Congress, in form suitable to be printed, a compilation of all Federal laws administered by the Veterans' Administration, which compilation shall contain (1) appropriate explanatory notes and annotations to each section of such compilation and (2) suitable headings, reference tables, and indices for the purpose of making available in convenient form, a clear and complete statement of the rights and privileges provided by such laws; and that this compilation shall be printed as a public document, and 8,000 additional copies shall be printed for distribution and use by the Veterans' Administration, of which not less than 7,000 copies may be furnished, upon written application to the Administrator of Veterans' Affairs, one copy to each post of the Grand Army of the Republic, to each camp of Veterans of the Indian Wars, to each camp of the United Spanish War Veterans, to each post of the Veterans of Foreign Wars of the United States, to each post of the American Legion, to each chapter of the Disabled American Veterans of the World War, and to each chapter of the American Red Cross.

WAR DEBTS, DISARMAMENT, CURRENCY STABILIZATION, AND WORLD TRADE

The VICE PRESIDENT. Resolutions coming over from a previous day are in order.

The Chief Clerk proceeded to read the resolution (S. Res. 141) submitted by Mr. TYDINGS on May 21, 1935, favoring conferences with foreign governments on war debts and certain other international matters.

Mr. ROBINSON. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

APPOINTMENT AND CONFIRMATION OF CERTAIN FEDERAL EMPLOYEES

The Chief Clerk proceeded to read the resolution (S. Res. 152) submitted by Mr. GORE on June 15, 1935, calling on the Comptroller General for information concerning appointees or employees of the Government receiving compensation at the rate of \$4,000 per annum or more.

Mr. ROBINSON. I ask that the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

REPORT OF INTERSTATE COMMERCE COMMISSION ON AIR MAIL ACT

Mr. McKELLAR. Mr. President, subsection (e) of section 6 of the Air Mail Act of 1934, as amended August 14, 1935, required the Interstate Commerce Commission to make examination as to rates in certain cases and report by January 15 of this year. I have a letter from the Chairman of the Interstate Commerce Commission, Hon. Charles D. Mahaffie, explaining why it was impossible to do so by that date. I ask that the letter be printed in the RECORD for the information of Senators.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, January 11, 1936.

THE PRESIDENT, UNITED STATES SENATE.

THE SPEAKER, UNITED STATES HOUSE OF REPRESENTATIVES.

SIRS: Additional time is needed to comply with subsection (e) of section 6 of the Air Mail Act of 1934 (48 Stat. 933), as amended August 14, 1935 (49 Stat. 614), which provides in part:

The Commission is hereby authorized and directed, after having made a full and complete examination and audit of the books, and after having examined and carefully scrutinized all expenditures and purported expenditures, of the holders of the contracts hereinafter referred to, for goods, lands, commodities, and services, in order to determine whether or not such expenditures were fair and just and were not improper, excessive, or collusive, in the cases of the eight air-mail contracts which are allowed, by a previous report of the Commission, the rate of 33½ cents per mile, under the provisions of the act of June 12, 1934, on routes numbered 7, 12, 13, 14, 19, 25, 27, and 32, and the Commission shall make a report to the Congress, not later than January 15, 1936, whether or not, in its judgment, a fair and reasonable rate of compensation on each of said eight contracts, under the other provisions and conditions of said act, as herein amended, is in excess of 33½ cents per mile, together with full facts and reasons in detail why it recommends for or against any claim for increase.

While subsection (e) directs us to investigate the operations of only 8 routes, as a practical matter we must extend the investigation to 16 routes. Among the 8 routes are routes nos. 7 and 25, operated by American Airlines, Inc., and route no. 12, operated by United Airlines Transport Corporation. American operates 6 and United operates 2 other mail routes.

In addition, these and other carriers operate off-line passenger and express service. In the case of the Pennsylvania Airlines & Transport Co., operating route no. 32, also included in the eight routes, the off-line service is more extensive than that on its mail route. Carriers engaged in these multiple-route operations must of necessity first set up the combined results of those operations on their books, records, and accounts, and then allocate the total amounts to the various operations on the basis of actual results directly relating thereto with a predetermined arbitrary division of items common to all services. In such cases our investigation must therefore embrace a study of the total operations by each carrier and the apportionment of the results between its separate operations.

In order to carry out the directions of the statute it is necessary that we not only make a complete audit of the accounts and carefully scrutinize all expenditures of the routes affected, but "under the other provisions and conditions of said act", as amended, ascertain whether the expenditures have been upon a fair and reasonable basis and whether the carriers have paid more than a fair and reasonable market value for the purchase or rent of planes, engines, or any other type or kind or class of goods or services, including spare parts of all kinds, and whether the carriers have purchased or rented any kind of goods, commodities, or services from any individuals who own stock in or are connected with the carriers or have purchased such goods and services from any company or corporations in which any of the individuals employed by or owning stock in the carriers have any interest or from which such purchase or rents any of the employees or stockholders of the carriers would be directly or indirectly benefited; give consideration to all income derived from the operation of airplanes over the routes affected, the amount of air mail carried, the facilities supplied by the carrier, and the carrier's revenue and profits from all sources; and disregard losses resulting, in our opinion, from the unprofitable maintenance of nonmail schedules, in cases where we find that the gross receipts from such schedules fail to meet the additional operating expenses occasioned thereby.

We have carried on this work as expeditiously as possible with our limited force of employees in the Bureau of Air Mail, and all other work of the Bureau that could be deferred has been subordinated, but necessarily all of the employees in that Bureau could not be spared for this job.

Although good progress has been made, we regret to say that it will be impossible, for reasons hereinabove stated, to submit the report by January 15, 1936. We will continue to expedite the work, and shall submit a complete report at the earliest practicable date.

Respectfully yours,

CHARLES D. MAHAFFIE,
Chairman.

REGULATION OF TRANSPORTATION OF PASSENGERS AND PROPERTY BY AIRCRAFT—LETTER FROM THE POSTMASTER GENERAL

Mr. McKELLAR. Mr. President, last August, as shown by Order of Business 1381 on the Senate Calendar, the Committee on Interstate Commerce reported favorably a bill, introduced by the Senator from Nevada [Mr. McCARRAN], proposing to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes. On January 13 the Postmaster General, Mr. James A. Farley, wrote a letter to the Honorable BURTON K. WHEELER, chairman of the Committee on Interstate Commerce, protesting against the passage of the bill. The arguments set forth are very interesting and important. I ask that the letter may be printed in the RECORD.

There being no objection, the letter was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

JANUARY 13, 1936.

HON. BURTON K. WHEELER,

Chairman, Committee on Interstate Commerce,
United States Senate.

MY DEAR SENATOR WHEELER: The report on S. 3420 was filed by Senator TRUMAN, of your committee, in Calendar No. 1381, July 29, 1935 (calendar day, Aug. 15, 1935), just before the adjournment of Congress. I do not know whether this report was intended to be the report of the whole committee, but at any rate I now understand it is on the Senate calendar. This bill has for its purpose the repeal of the greater portion of the present air-mail laws and the enactment of substitute legislation.

At the time this bill was under consideration, the Post Office Department did not have an opportunity to personally present its views to the committee. Representatives were allotted a brief period, but unfortunately only the author of the bill, Senator McCARRAN, and one other, Senator DONAHAY, were able to be present at the hearing. In view of the fact that since the bill was introduced another air-mail law has been enacted by Congress, this bill, S. 3420, may not be further considered by the Senate, or it may be referred back to your committee. I therefore desire to present to you, in the hope that they may be considered by the entire membership of your committee, my views upon the pending bill. I also at this time ask that if additional hearings are held, the Post Office Department be given an opportunity to appear.

This bill provides for the regulation of all air carriers and airport operators who operate regular scheduled service, by the Interstate Commerce Commission. The report appears to assume that there is not now any regulation by the Commission when, as a matter of fact, under existing law the Commission already has full and complete power and authority to regulate air-mail lines. Practically every one of the air-transport operators is a mail contractor; and the domestic air-mail system extends into practically every principal city and to every State in the Union except two, which have indirect connections.

The report of Senator TRUMAN refers to the appointment of Coordinator of Transportation Eastman and the Federal Aviation Commission, and to the reports of these two Commissions and testimony of individuals and air-line operators. Since the Coordinator and Aviation Commission were appointed and made their reports, the air-mail laws have been twice rewritten. These reports therefore cannot be used as the basis for the revision of the present law, because numerous and vital changes have been made which have permitted the building up of a much better aviation system and much better regulation. Also, since this bill was introduced the air-mail laws were amended to authorize the Interstate Commerce Commission to increase rates as well as lower them, and a number of contractors have expressed themselves as being thoroughly satisfied with the law as it now is.

I do not think that the present air-mail law should be changed in any material respect at this time.

The present air-mail laws are the natural development from years of intense study and investigation by the two Post Office Committees of the Senate and the House, and were enacted upon the recommendation of these committees. During these years the Air Mail Transport Service has been operated under the direction of the Post Office Department, and Congress has usually depended upon that Department for accurate information as to the nature of the services rendered.

Every official of the Post Office Department is justly proud of assisting in establishing, under the present law, the finest air-transport system the world has ever seen. This system embraces 28,884 miles, over which planes fly more than 40,000,000 miles annually. The principal lines are using the highest type and most improved airplanes, flying from 185 to 215 miles per hour. Time has been reduced between all major points in the United States to a matter of hours, whereas under the old system it was a question of days. All records for passengers, express, and mail are broken practically every month. Ten million seven hundred and seventy-five thousand pounds of mail were carried in the fiscal year 1935, as against 6,741,000 in 1933. The passenger-miles flown by air-

mail contractors for the fiscal year 1935 was 243,780,000 miles, as against 126,598,000 for the fiscal year 1933. The cost to the Government in 1932, with inferior service, was \$20,154,146.19. The total direct cost of the service for the fiscal year 1935 was \$9,836,846.49, or a savings of more than \$10,000,000 annually. The air postage rate was reduced to a flat rate of 6 cents per ounce by Congress, and yet in the fiscal year 1935 the revenue derived from postage amounted to \$6,589,534.45, leaving a deficit of only \$3,250,000 as a subsidy.

Notwithstanding the lessened cost to the Government and the operation of the newest, finest, and most improved type of airplane by the contractors, involving the expenditure of millions of dollars for such new equipment, the air lines are generally doing well. The United Airlines, an air-mail contractor, in a recent statement showed an increase of approximately 26 percent in its earnings and is paying dividends. Transcontinental and Western Air has announced substantial increased earnings. The American Airlines, which operates more route miles than any other contractor, while claiming a loss at this time, announces an increase of 80 percent in its passenger revenues for a 6-month period this year compared to a similar period of last year. These largest lines, therefore, appear to be fast approaching a self-sustaining basis because of increased passenger and express revenues.

The condition just recited exists despite the fact that the rate fixed by the Interstate Commerce Commission on only seven of the routes is the maximum rate authorized by law. Congress has fixed a base rate limit of 33½ cents per airplane mile for planes carrying 300 pounds of mail or less. This maximum rate applies on only seven of these lines. The Interstate Commerce Commission has authority to lower rates or raise them to as much as the base rate of 33½ cents per mile. After this law was passed the Commission held extended hearings, and after such hearings the Commission fixed a fair and reasonable rate for the transportation of mail over the lines by reducing the rate on 11 routes and increasing it on 19 routes and leaving the rate on 1 route the same as called for in the contract. Congress has directed the Commission to make a thorough investigation and audit of the books of the seven contractors who receive the maximum rate and report their recommendation to the next session of Congress not later than January 15, 1936, as to whether any increase in the base rate of pay should be made. Congress has already given thorough consideration to the question of rates. The Commission has held its hearings and fixed these rates, and is continuing from day to day to hold hearings concerning rates on different lines. It therefore follows that, from the standpoint of the question of the rate compensation to the carriers, there is absolutely no necessity for the passage of this bill.

I consider the present law provides an adequate method of securing transportation of the mails by air at reasonable rates.

The present law contains safeguards protecting the public interest which would be repealed by the passage of this bill. The pending bill seriously and unnecessarily interferes with States and municipalities in the operation of their laws and ordinances relating to the establishment and maintenance of airports, which is bound to lead to friction between Federal and local governments. Monopolies in the air transport business should be and are specifically prohibited by law. The pending bill would repeal the present law and, in fact, specifically authorize combinations and mergers that would result in the establishment of monopolies.

Competition should be encouraged in a new industry such as air transportation. Under the pending bill there can be no real competition. By reason of requirements of certificates of public convenience and necessity, competition is prevented at the outset. The air-mail lines are subsidized and the present law fixes limits upon the extent of the service, the rate of compensation, and the mileage that may be flown by the air lines each year. The proposed law removes those restrictions and is certain to result in a tremendous increase in expense to the Government.

These are some of the general reasons why it is the opinion of myself and others in the Department having direct charge of the administration of the present law, that S. 3420 should not be passed.

In support of my view that the passage of S. 3420 might have a detrimental effect on the air-transportation industry; that passage of the bill in its present form might be used to destroy some of the beneficial results of our present laws; and that no radical changes should be made now in the present air-mail laws, I submit the following detailed analysis of the law compared with corresponding sections of the pending bill:

REGULATION GENERALLY

Under the present laws, all regulations concerning the use and operation of airports, the operation of airplanes, the licensing of pilots, the requirements as to safety features and safety devices, arrangement, supervision and operation of all airways, beacon lights, and radio stations, are promulgated by the Bureau of Air Commerce of the Department of Commerce. The Bureau of Air Commerce was built up over a period of many years and is a very efficient bureau for handling the administrative problems in connection with the operation of air lines.

It is generally considered that the Bureau of Air Commerce maintains a very efficient, experienced, and able personnel, and their fitness and ability to handle the problems connected with the maintenance and supervision of airways has been recognized by all persons dealing in any phase of the aviation industry. The undertakings of the Bureau of Air Commerce affect not only the commercial air transport operators but also the operators of

private planes, and it cooperates with the Army and Navy. Its work is purely administrative and wholly unrelated to any of the normal functions of the Interstate Commerce Commission, which is a quasi-judicial body.

Section 404 of S. 3420 would vest in the Interstate Commerce Commission the authority to prescribe standards with respect to the types of equipment to be used; to approve or disapprove any rules or regulations issued by any other department which would affect the Commission's powers and duties; to approve or disapprove any application made by any air carrier, or airport operator, for any loans from any governmental agency or department; to study and report to Congress whether or not the Government should share the cost of maintenance of airports or whether any governmental aid should be given to air carriers or airport operators; to report to Congress the effect on air transportation of existing laws with respect to customs, immigration, public health clearances, and all such functions as are now being performed by the Commerce Department and other Government departments.

The airport operators and individual operators of airplanes, and the small commercial air lines that are not mail contractors, are not regulated by the Post Office Department or the Interstate Commerce Commission. They are strictly regulated, however, by local authorities and the Bureau of Air Commerce, and up to this time Congress has considered that the aviation industry was too young to be severely restricted by governmental regulation that would tend to hamper its natural growth and efficiency.

All domestic air-mail contractors, which include practically all persons engaged in commercial aviation, are being strictly regulated by the Interstate Commerce Commission as to rates and as to services supplied the public beyond and in addition to that required under the air-mail contract. The Commission can raise or lower rates and it can order a decrease or may permit an increase in the number of nonmail flights made by the contractor over his route.

CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Section 405 (a) provides that no air carrier or airport operator shall engage in any interstate or foreign transportation, or any service connected therewith, unless he obtains a certificate of public convenience and necessity issued by the Commission.

Under the proposed law no municipality or citizen of a community may operate an airport if on any occasion it is used by any person engaged in interstate transportation by air, unless under the direction and with the consent of the Interstate Commerce Commission. This provision would naturally require every municipality or State to surrender any sovereign powers they might have, waive any requirements of laws made by their own legislatures, and be compelled to appeal to the Commission at Washington for authority to operate their own airports as they desire. This restriction as to airports does not apply alone to the air-transport operator engaged in interstate commerce but is much broader than that, and covers the operations of the airport if it is made available at any time for use by a person who flies from one State to another. The supervision of each of these airports and the policing of the airports by the Commission would not only involve a conflict of authority between the Federal and local governments but is certain to result in heavy expenditures of public funds used for such policing, inspection, and supervision.

Under the present law the Bureau of Air Commerce regularly inspects airports used by commercial planes, and simply either forbids the air-transport operators to use airports found not to be so constructed and maintained as to be safely employed as landing fields, or authorizes their use as such landing fields.

REGULATES FOREIGN AIR COMMERCE

Our foreign air-mail lines, which extend throughout Mexico, Central America, South America, the West Indies, Cuba, Hawaiian Islands, Philippine Islands, and to China, are regulated as to the services rendered to the United States by the Post Office Department. Whenever necessary, every administrative action taken by the Post Office Department is the result of consultation with the Bureau of Air Commerce as to safety features, types of equipment to be used, and other phases of the operations with the War and Navy Department from the standpoint of national defense. Obviously, our foreign air-mail contractors conducting friendly business negotiations with foreign nations necessarily must observe the laws of the foreign countries through which their lines extend.

The bill under consideration definitely requires that American citizens operating commercial air-transport businesses in foreign countries must first secure permission from the Interstate Commerce Commission. It makes no provision for consultation with the Secretary of State, who handles foreign affairs, and does not take into consideration any treaties or covenants or agreements of the United States.

Section 405 makes air carriers and airport operators in foreign transportation or service connected therewith subject to the law. It is inconceivable that the author of the bill would attempt to regulate the operation of airports in foreign countries if they rendered service connected with foreign air-mail transportation. Nevertheless, the bill so provides.

The foreign air-mail contractors are the only foreign air-transport operators of the United States. As stated, they must yield obedience to the laws of the countries through which they fly. Our present contractors are under the jurisdiction of the Post Office Department. Their present services are very valuable to the United States in building our foreign commerce, and the Commission should not have the power to direct any action on the part

of our foreign air-mail lines that would jeopardize our foreign air-transport service.

From the standpoint of handling the mails the schedules of the foreign air-mail contractors must be fixed by the Post Office Department if the foreign air lines are to be of any benefit to the public. This is necessary in order to provide for connection with domestic air-mail lines, railroads, and steamships carrying the mails.

CREATION OF MONOPOLIES

Practically all of our domestic air-transport operators now operate with mail subsidies. Aviation is approaching the point where we hope subsidies will not be necessary. On the other hand, other individuals and corporations are becoming more interested in the air-transport industry and may be expected to institute services from different points in the United States without the assistance of subsidies. It is my opinion that free and unhampered growth of the industry should be accorded to it for a few years, and that, generally speaking, only the subsidized lines should be rigidly controlled, as they now are, by the Interstate Commerce Commission. If it is allowed to grow naturally and unrestricted, we may expect to see all of the smaller cities, towns, and villages of the Nation connected with a network of independent, nonsubsidized lines. Some of them will be profitable and some will die out because of their failure to develop the business which was expected. The Government at this time has no investment in the air lines other than the subsidies granted to them, and the same conditions do not prevail in the aviation industry as did in the railroads in their infancy. The regulation proposed at this time of the ordinary commercial carrier operating with its own resources is unjustified and would result in giving the present air-transport operators a full and complete monopoly.

VALUATION

Section 406 provides for the valuation by the Commission of all property owned or leased by all air carriers subject to the act.

Section 6 of the present law authorizes and directs the Commission to take into consideration, in the fixing of air-mail rates, all expenditures of every kind for goods, lands, commodities, and services; and in the determination of rates at this time the Commission is taking into consideration, and will continue to take into consideration, the value of all property of the air-mail carriers. Therefore, the Commission now has the authority which would be conferred on it by section 406. It can, and should, value all the property of the air carriers in order to ascertain and fix fair compensation without additional legislation.

ACCOUNTS, RECORDS, AND REPORTS

Section 407 authorizes the Interstate Commerce Commission to require annual, monthly, periodical, and special reports from all persons subject to the act and to prescribe the manner of keeping the books, records, and accounts, and to issue rules and regulations concerning the manner in which depreciation reserves shall be accrued and expended.

The present law not only authorizes the Postmaster General and the Commission to require the books, records, and accounts of the contractors to be kept as directed, but the Commission is also directed to examine the books, accounts, contracts, and entire business records of the holder of each air-mail contract each year, and to review the rates of compensation of the contractor in order to be assured that no unreasonable profit is resulting therefrom. Therefore, no new law in this respect is necessary.

RATES AND FARES

Sections 408 and 409 direct every airport operator to provide safe and adequate service and to establish, preserve, and enforce just and equal rates, fares, and classifications therefor. The tariff is required to be published, filed, and posted under the direction of the Commission, and it is authorized to repudiate any tariff found not to be in cognizance with the law and with the Commission's regulations. No air carrier or airport operator shall charge, demand, collect, or receive a greater or less or different compensation for transportation, or for any service in connection therewith, than the rates, fares, and charges specified in the tariffs in effect at the time. Numerous provisions of this character, which very closely follow the laws pertaining to railroads, are contained in the act, and the Commission is given authority over rates exactly as it is in the case of railroads.

From the experience of the Post Office Department, there are numerous objections to sections 408, 409, and 410.

The infant air-transport industry has found it necessary to have different rates per mile for the carrying of passengers and express in different localities. It has attempted to fix rates to meet proper demands for air travel and competition. In order to supplement revenues which they have obtained from their mail contracts, they have used various methods to build up their passenger and express business. And, again, it is repeated that in the experimental state in which this industry now is it is more likely to suffer than to be benefitted by being compelled to observe strict or hide-bound rules and regulations with reference to fixed charges for the carrying of passengers and express than if they are permitted to continue to feel their way along, test out public sentiment, and adopt such practices and fix such tariffs as they think will produce increased revenues and business. Again, it is emphasized that it is my opinion that the natural and fair competition existing will do more to develop the aviation industry than any rules made by a Government bureau.

Like other public conveniences which have been developed in this country and experimented with by thousands of persons who

have become interested in them, cities and towns have built fine flying fields. Sometimes the use of these airports is given free to commercial airplanes flying into the city; sometimes they are leased at nominal rental charges to commercial operators, who maintain operating facilities for transit airplanes at nominal cost, or cost of upkeep. At no place in the country is there any indication that the charges of municipalities supplying airport facilities are unjust, unreasonable, or discriminatory, but such rates are made by the owner and the municipalities as will attract airplane operators. Every encouragement in many other ways has been given to the building of commercial aviation fields by city governments throughout the Nation. Whatever they do, the municipalities and local governing bodies should not be themselves subject to the rule of a Federal agency as to the regulation of rates, charges, tariffs, and services at municipal airports. The Federal Government should go no farther than insisting that such airports shall be made safe for planes engaged in interstate commerce. This the Government now does through the efficient operations of the Bureau of Air Commerce of the Department of Commerce. The idea that a municipality shall come to Washington to secure a certificate of public convenience and necessity for permission to operate its airport would be resented and intolerable to the citizens of the country in general.

AIR-MAIL RATES

With reference to paragraph (g) of section 410, I have to call the attention of your committee to the fact that the methods proposed for the fixing of rates for the transportation of air mails do not prescribe any maximum limitation that may be paid to the carrier. It is provided that the Interstate Commerce Commission may prescribe the rate of pay by pound-mile, weight, space, or any combination thereof, for ascertaining such rates of compensation; and no consideration is given to the necessity of supplying a subsidy to the weaker lines. If the Commission is permitted to put into effect a general rate, applicable to all lines by the pound-mile basis, then naturally the heavy mail-carrying lines will receive most of the money appropriated by Congress to pay for carrying the mails by air. The rate is now fixed by prescribing a base rate of not exceeding 33½ cents per mile for carrying a mail load not exceeding 300 pounds. The Air Mail Service extends to practically every State, and most of the lines do not carry anything like the base load of 300 pounds. Without going into too much detail, it is obvious that if all sections of the country are to be equally served by air-mail lines, the rate of pay must be kept on a mileage basis for a while. An admirable system is now in force, and while providing for a rate of pay that amounts to a subsidy for the weaker lines, yet the stronger lines receive added compensation for the heavier mail loads. These rates are, of course, fixed by the Commission. Under the proposed system there is no limit to the amount that would be expended for carrying the mails or to the number of air lines that might be established, or the number or frequencies of trips, or the aggregate mileage to be flown.

The present law is admirable for present conditions and is the best system to be used for several years yet to come. With reference to expenditures of Government funds, the law contains several safeguards not present in the proposed law.

The Postmaster General may not establish air-mail routes in excess of 32,000 route miles. He may not authorize schedules over these lines in excess of 45,000,000 airplane-miles per year. He may not pay, nor may the Commission direct him to pay, in excess of 33½ cents per airplane-mile for carrying the base load of 300 pounds of mail or less, and the rate is gradually increased in proportion upward for excess loads, with a maximum rate of 40 cents per airplane-mile for any load. If the mail traffic is so heavy that it would be unjust to require the contractor to fly an extremely heavy mail load, for which he should receive more than 40 cents per mile, the Postmaster General may put on additional trips or schedules, having in mind that the aggregate amount flown cannot ever exceed 45,000,000 miles per year. The proposed law would remove every one of these limitations and restrictions, and would cause the Post Office Department and the Interstate Commerce Commission to be constantly infested with persons desiring to extract additional funds from the Federal Treasury on the basis of pretended needs for increased service.

It would seem that the author of the bill feels that air-mail rates should be fixed in a similar manner to that provided for railroads. If so, this certainly should be made very clear. We feel that the air lines must have a greater rate at this time for carrying the mails than for carrying other weight, passengers, or express. The basis of fixing railroad rates is determined upon the space requirements compared to other uses of railroads of similar space, the expense, and revenues of the railroads. Air-mail rates to the contractors are anywhere from 3 to 20 times as much per pound for carrying the mail as for carrying passengers, and more for carrying mail than for carrying their own express. We felt that it was better to allow them to build up their express business as long as the planes were flying and had space available, and to fix the rates at whatever they thought they should have. It means just that much more revenue to them. But the Government is the biggest customer the air lines have, and if it can be said that competition is so great that it is vital that the future growth of aviation should be controlled and competition lessened, then the air lines do not need any subsidy whatever, and the Government should get the same rate per pound for carrying the mail as the air lines get for carrying express or passengers, in the carrying of which they are compelled to render a great deal more service than in carrying the mail.

Under the proposal the Commission would have control of all the air-mail lines. This is properly a function of the Post Office Department; and so far as directing the lines by any governmental department is concerned, that should be done by the Commerce Department and by the Post Office Department as to air-mail lines.

The Air Mail Service must be coordinated with regard to railroads, steamship lines, star-route services, and connecting air lines, and those in the Post Office Department who administer the air-mail service are in much better position to know the needs of the Government with respect to carrying the mails than is the Interstate Commerce Commission.

To allow any other agency of the Government to fix schedules of air-mail carrying planes than the Post Office Department would seriously impair the value of air-mail service. The Post Office Department now fixes the schedules of all the air-mail lines so that prompt connections are made at terminal points resulting in speedy dispatch of the mails and excellent connections for passengers. This is all done very simply by the Post Office Department with full accord and agreement with the contractors, and it is done without a lot of expensive and tedious hearings and red tape.

HOLDING COMPANIES AND MONOPOLIES

Section 411 (a) provides for the merger and combination of commercial aviation companies, with the consent of the Commission. This is bound to lead to monopolies. It is inevitable. For the past several years this has been a subject of considerable discussion. When this Department reorganized the Air Mail Service, it was found that practically every contractor had affiliated connections. There were holding companies upon holding companies, each extracting a dole from the operating company. There were manufacturing companies from which the air transport lines were compelled to purchase supplies at the manufacturing companies' own rates. There were companies, the principal business of which was to engage in stock manipulating activities. Now these practices are directly forbidden by law. They cannot be engaged in. All the present contractors have severed their connections with the stock manipulating enterprises theretofore conducted by some of their officers. Holding companies have been divorced from ownership of the air-transport companies. The management has been transferred to the field of operations, rather than on the stock market, with the result that there has been developed the greatest aviation system in history. Of all the provisions of the bill, this provision, in my opinion, is probably one of the worst from the standpoint of public interest.

Section 411 contains seven full paragraphs, which in detail provide ways and means by which the present direct operations by the stockholders can be circumvented or avoided by stock manipulators and for the creation of monopolies that will prevent any fair amount of competition by new capital or persons.

Section 412 relates to the issuance of securities and requires the air carriers and airport operators to be subject to the Interstate Commerce Act rather than to the laws now being administered by the Securities and Exchange Commission, which are adequate and sufficient to protect the public interest.

GOOD LAWS REPEALED

If there has been established and is now in operation in this country the most modern air-transport system in the world it is due to a large extent to the sound laws now in effect governing the air-mail contractors, who constitute practically all of the air-transport lines. The proposed bill would repeal some of the most vital sections of the present law.

Section 417 of the pending bill would repeal the following laws, which I consider vital and important to the aviation industry:

Section 3 of the Air Mail Act of 1934, which provides that the Postmaster General may designate air-mail routes, award contracts within the limitations heretofore mentioned as to rates and mileage, and grant extension of routes.

Section 4 of the present law, which restricts the Postmaster General in the award of contracts to a mileage of 32,000 miles for flying and provides that not more than 45,000,000 airplane-miles may be flown per year; directs the Postmaster General to prescribe the number of frequencies of schedules, stops, and departures of all planes carrying the mails, with due regard to the volume of mail carried and for connection schedules; and provides for additional schedules for emergency trips. This would be left to the Commission.

Sections 5, 6, 7, and 8 of the present law specifically direct the Commission to make periodical audits of the books of air-mail contractors, to see that no unreasonable profits are resulting to the contractors; to make a thorough and complete investigation of operating methods of contractors, including purchasing of supplies to ascertain whether they have made fair and reasonable terms; to make a special investigation as to whether they are paying fair and reasonable prices for equipment; to make a report touching upon such probability to the Postmaster General, the Secretary of the United States Senate, and the Clerk of the House of Representatives. In short, the Commission is expected to make a full and complete investigation of every phase of the contractor's business in order to determine the need of Government aid in the operation of the lines.

Specific directions given to the Commission by the laws recommended by the Post Office Committees of the House and Senate and adopted by Congress, as to the performance of its duties in fixing air-mail rates, are all repealed, and the methods to be used in the proposed law are to allow the Commission to disregard

specific instructions which Congress has heretofore deemed wise, but to use their own judgment as to what investigations they shall make and what consideration they shall give to any phase of the conduct of the operators' business.

Section 15 of the present law provides specific prohibitions against the building of monopolies by providing that it shall be unlawful for air-mail contractors competing in parallel routes to merge or enter into any agreement which may result in common control or ownership. This is specifically repealed by the pending law. It is now unlawful for a contractor to maintain a passenger express service off the lines of his air-mail route, commencing after June 30, 1935, if such service competes with passenger-express service available upon another air-mail route. This prohibition is in the present law in order to assure that there will be no cutthroat competition among air-mail contractors who are receiving Government subsidies. The subsidy is given to aid in the establishment and maintenance of the air lines, and the beneficiaries thereof having large capital should not be permitted to engage in cutthroat competition with another air-mail contractor by invading territory served by such other contractor. It is being attempted right now by numerous contractors, and this question already is causing the Department some concern. The bar should certainly not be let down to permit any such unfair competition. The flying of the air-transport routes of the air-mail route by contractors in competition with another air-mail contractor has a detrimental effect upon the air-transport service in two directions. First, the contractor whose air-mail line is subsidized must spend a great portion of his capital for a subsidy in conducting the off-line flying, thereby weakening air-mail contract service; and, secondly, unwarranted competition by a strong air-mail contractor with a weak line, of course, takes away needed revenue from that weaker line to its great damage. Both the Post Office Department and the Commission now can control any unlawful operations of the contractor under present laws.

SAFETY MEASURES

Section 12 of the Air Mail Act of 1934 is repealed. It provides that the Secretary of Commerce is authorized and directed to prescribe the maximum flying hours of pilots on air-mail lines and safe operation methods on such lines. The Bureau of Air Commerce has rendered and is continuing to render splendid service in providing for the safety, comfort, and convenience of passengers using the air-mail lines.

The safety of passengers flying in airplanes should be a prime consideration of the Government. The laws providing for safety measures can be best administered, I believe, by an administrative agency such as the Bureau of Air Commerce rather than one of a quasi-judicial character such as the Interstate Commerce Commission, whose principal functions are the fixing of rates for transportation. This is not said in any criticism of the Commission or expressing any doubts of its ability to administer the law if charged with that responsibility, but it is my belief that the present status of the development of aviation safety measures can be best handled by an administrative body rather than a semijudicial body.

Section 15 of the present law restricts the air-mail contractors in the number of contracts they may hold. Under the proposed law, they may hold any number of contracts if allowed by the Commission. The present law was intended to prevent monopolies and monopolistic practices. The effect of the proposed law would be to encourage monopolies and the freezing out of small concerns for the benefit of the large ones by allowing them to appear before the Commission and make claims of being able to render superior service because they have more capital. Numerous other good provisions of law that have been found necessary to be enacted by Congress would be repealed by the pending bill.

For the foregoing reasons, and for numerous others which are not necessary to be mentioned in this letter, it is my sincere belief that S. 3420, now pending, should not be enacted into law. If the bill should be returned to your committee or further hearings held thereon, this Department would be very glad to furnish to your committee or any other committee of Congress any information the Department has on the subject.

Very truly yours,

JAMES A. FARLEY,
Postmaster General.

PUBLIC-UTILITY PROBLEMS AND PUBLIC-UTILITY SECURITIES— ADDRESS BY SENATOR HOLT

Mr. NORRIS. Mr. President, on November 4 last the junior Senator from West Virginia [Mr. HOLT] delivered a radio address on Public-Utility Problems, with especial reference to natural gas holding companies, and on the 6th of December before the National Association of Security Commissioners, at Miami, Fla., he delivered an address on Public-Utility Securities. I ask unanimous consent that both addresses may be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

PUBLIC-UTILITY PROBLEMS

SPEECH DELIVERED AT WASHINGTON NOVEMBER 4, 1935

In discussing utilities, the public has not paid much attention to the gas industry. Tonight I will discuss that problem. In 1815, while drilling a salt well in Charleston, W. Va., gas was

discovered. A few years thereafter at Fredonia, N. Y., a well was drilled which yielded gas. Natural gas has been in use for 110 years, but the most rapid growth has come in the past 10 or 15 years. It was not until 1872 that the first iron-pipe line was laid for any distance; it was approximately 5 miles long. Gas is produced in 28 States in 5 gas areas—the Appalachian, covering the States of New York, Pennsylvania, Ohio, West Virginia, and Kentucky; the southern, covering the States of Louisiana and the Texas Panhandle; the Rocky Mountain, in the States of Montana, Wyoming, Utah, New Mexico, and the California field.

With the advent of the seamless pipe in 1926, the industry started its rapid growth. We find that pipe lines have now been built so that natural gas is at the gateway of almost every city east of the Rockies except in New England and a few southern cities. Recently the natural-gas interests filed a brief before a committee of the United States Senate stating that there were approximately 75,000 miles of gathering and transmission lines and about 90,000 miles of local distribution mains furnishing natural gas to approximately 5,000 communities. In the year of 1933, 7,166,000 domestic and commercial consumers were supplied, as compared to approximately 3,500,000 in 1925. When one realizes that it has been estimated that the gas industry has a potential energy of from five to six times that of the power and electric industry, one will realize this gigantic set-up. Moody's volume of public-utilities estimates that the gas industry (both manufactured and natural) has a capital investment in excess of \$4,500,000,000, with 17,000,000 consumers and a gross revenue of \$800,000,000.

Manufactured gas has approximately 10,000,000 consumers. Although I am not discussing manufactured gas, it might interest you to know that the consumers for this product increased 113 percent between 1910 and 1930; 360,000,000,000 cubic feet were used in 1934, of which 270,000,000,000 cubic feet were sold to domestic and house-heat sales, with a revenue of \$312,000,000 of the \$380,000,000 for the industry. To produce this, it took 7,000,000 tons of bituminous coal, 132 tons of anthracite coal, 2,000,580 tons of coke, and 528,000 gallons of oil.

Let us turn now to the natural-gas industry. In 1933, 1,500,000,000,000 cubic feet, with a gross revenue of approximately \$375,000,000, were distributed. Ten years ago the domestic and commercial consumers covered 3,500,000 users, as compared to 7,166,000 in 1933. The rise of domestic and commercial consumers has been steady. Although the domestic consumer used but between one-fourth and one-fifth of the total amount of gas produced, they contributed \$250,000,000 of the \$380,000,000 received by the gas industry. It is used in heating, lighting, and refrigeration. A rapid increase in the revenue per thousand cubic feet and the rate to domestic consumers has been noticed.

This has come about by the development of large pipe lines. To look at a map of the United States, one would see pipe lines coming close by large centers of populations from the fields where this product is found. It has been estimated that Texas has 10,000 miles, Ohio 6,000, Pennsylvania 5,000, West Virginia 4,000, Oklahoma and Kansas between 3,500 and 4,000, Louisiana nearly 2,000, and California, Arkansas, Kentucky, and New York with more than 1,000 miles of these lines. Natural gas is unlike electricity.

It is found in limited fields and cannot be generated like electricity—everywhere. One line between the Texas fields to Minneapolis is approximately 1,000 miles in length. Natural-gas service has been offered and used by 15 States in 1933 that did not use it in 1925 and replaced manufactured gas in communities with a combined population of 15,000,000 people. The control of the gas industry does not have to be at the point of production, but it can be controlled through the ownership of pipe lines that transport gas. Sixteen percent of the total production of gas was interstate. The four holding companies that control this interstate movement are the Cities Service, Electric Power & Light, and the Standard Oil Co. of New Jersey, also the Columbia Gas & Electric. Eleven holding companies control 76 percent of the total pipe-line mileage of America. Four control 58 percent. The big four are: The Columbia Gas & Electric, which controls nearly 25 percent; Cities Service, which controls 14 percent; the Electric Power & Light (a subsidiary of the Electric Bond & Share), approximately 11 percent, and the Standard Oil Co. of New Jersey, with approximately 8 percent. Who are the big four? Senator NORRIS says: "The Columbia Gas & Electric, which is Morgan controlled and operates largely in the East—that is, in Ohio, Pennsylvania, West Virginia, Kentucky, and Maryland—sells in gas, mostly natural gas, half as much energy as is sold by the entire electric industry of the United States." Utilities controlled by the Cities Service is known as the Doherty group. You have heard much of Henry L. Doherty in the power investigations. He was listed as a director or officer in 111 different companies.

The Electric Power & Light goes back to the Electric Bond & Share. The well-known C. E. Groesbeck, who was director in 33 companies, is the powerful factor in this.

There is no need to go into the Standard Oil, as their corporate set-up is too well known by all of you through its Rockefeller ownership.

The Cities Service and Standard jointly control the Natural Gas Pipe Line Co. The next largest, the Lone Star Gas Co., has its connections with the Columbia Gas & Electric through Mr. Crawford and Mr. Gregory as directors. In 1930, 380,600,000,000 cubic feet went across State and international boundaries, and of that amount 240,000,000 through pipe lines under control of the big four.

The Federal Trade Commission report says:

"The Standard Oil Co. of New Jersey owns 30 percent of some of the Columbia Gas & Electric Corporation main trunk pipe lines, and together they own nearly 50 percent of all main trunk pipe lines. The mastery of the most practical gas transportation by a few large corporations would seem to place the small well owners at their mercy, to enable these corporations to dictate terms of purchase and to compel the small well owners to sell their gas in order to secure transportation, as was the situation in the oil industry prior to the Hepburn Act. Thus, these larger gas trunk pipe lines are common carriers in substance, though not in form, due to their exception as common carriers under the Interstate Commerce Act.

"All the natural gas pipe lines transporting gas from the Appalachian area to the eastern seaboard are operated by the Columbia Gas & Electric Corporation and the Standard Oil Co. of New Jersey. Four lines are jointly owned by these two companies extending from the Appalachian field to cities along the eastern seaboard, and in addition a compact network of gas lines is operated in western Pennsylvania, West Virginia, and northern Kentucky, with a line from this area effecting a connection with the line operated from the Texas Panhandle gas field by the Panhandle Eastern Pipe Line Co.

"That transportation of gas through pipe lines from one State to another is interstate commerce coming under the regulation of Congress is clearly settled in many decisions of the United States Supreme Court.

"It is possible that the reason Congress specifically exempted gas pipe lines from regulation as common carriers was that they were not of sufficient importance at the time to require regulation. The growth of 111 percent in customers in the 10-year period 1921-31, and the increase of gas pipe line transportation facilities to 50,000 miles, more than 50 percent of which is under the mastery of four large corporations purchasing, as well as producing, natural gas, present a situation somewhat similar to that which preceded passage of the Hepburn Act as set forth in the pipe-line cases, 234 U. S. 548."

The 11 companies that control the gas field, according to the report of the Federal Trade Commission, are as follows: The American Power & Light Co., Columbia Gas & Electric Corporation, Cities Service Co., and the Electric Power & Light Corporation, Lone Star Gas Co., Minnesota Northern Power Co., Middle West Utilities Co., North American Light & Power Co., and Southwestern Development Co., Standard Oil Co. of New Jersey, and Tri-Utilities Corporation.

May I be pardoned to point to a local situation? West Virginia, my home State, produces much natural gas. Across our boundaries we export between 60 to 64 percent of the entire amount produced. The Standard Oil Co. of New Jersey and the Columbia Gas & Electric Co. have complete domination. There is developing and has been developing a huge monopoly that is taking away the God-given resource from the earth for the profits of only a few. Most of those few are the absentee landlords who do not live where the gas is produced. Senator COZZENS, of Michigan, introduced a resolution in the Senate of the United States in the last session in which it was asked that the Committee on Interstate Commerce obtain information relative to the production, transmission, sale, and distribution of natural gas. We have, and properly so, brought to the attention of the public the huge power octopus that invades most of the American homes, but let us not overlook the very rapid development of another public-utility combine, the natural-gas group. Many people feel that the industry is local in its nature. That was so a few years ago, but today it is a Federal problem. It has risen to a place where it has enough power to defy and to evade State regulatory bodies. For years gas companies appeared before the courts saying that State regulation interfered with interstate commerce. Between 1891 and 1934 there were 22 cases carried to the Federal courts from Indiana, New Jersey, Oklahoma, Kansas, New York, West Virginia, Pennsylvania, Alabama, Wyoming, Ohio, Mississippi, Texas, and Colorado on this ground. The interstate commerce decisions rendered forestalled much State regulation and conservation.

A few years ago the legislature of my State passed a bill to place a tax upon gas being exported beyond the boundary. It was carried to the Supreme Court of the United States, and there it was decided that the law interfered with interstate commerce. Now these same interests, this same group, this same company is trying to dodge Federal regulation by calling for State rights and State regulation. It is a joint problem. Where the State does not and cannot regulate, it should be the problem and responsibility of the Federal Government to step in. The Federal Trade Commission, under the very able counsel of Colonel Chantland, will bring much information to the people of the United States about the natural-gas industry.

We have heard a whole lot—not too much—about the National Electric Light Association and about the Edison Electric Institute, but what the N. E. L. A. is to the electrical industry the A. G. A., the American Gas Association, is to the gas industry. These utilities, controlled through the 11 powerful holding companies mentioned earlier, contributed materially to the public-utilities information bureaus of the different States, and gave much for propaganda in behalf of the utilities.

I speak from personal knowledge when I say that I know of no group, not even the Power Trust, that is more active in politics than those who control the gas industry. They interest themselves in all elections—municipal, State, and congressional. They try to control municipal officials so that the cities and towns will

not have rate cases. They try to control the State officials in order that no public service commissioner will be appointed that would be so-called unfriendly, or that no member of the legislature be named who would introduce a bill making pipe lines common carriers or investigate their activities. They try to control congressional elections because they fear Federal regulation and oppose liberal legislation just as bitterly as does the Power Trust. The same lobbyists who represent the power companies in many instances are lobbyists for the gas companies.

They have and are interested in getting propaganda into our schools. I have with me a pamphlet that was placed by the gas industry in the public schools of West Virginia. They have their essay contests and lectures about their activities. The employees are called in before campaigns for safety meetings, and just as important as the teaching of safety to life and limb to those who have called the meeting, is the safety of the political control that the gas industry asserts.

You who are not from a State that produces natural gas may not realize to what extent this group extends its influences. They lease land from the farmers for the proposed drilling of wells. They will see the farmers and advise them that rentals will have to be reduced because of the activity of some man from that county who might be interested in regulating the gas industry, telling them that it is highly advisable that someone else would be sent in place of a so-called "red" or dangerous demagogue. Leases have been surrendered and rentals reduced to my own knowledge to exert the political control of the gas companies.

Contracts call for the shifting of tax burdens to the independent producer. This not only has its value in keeping down the tax burden on the gas companies but places them in a position whereby they can and do have the small independent producer in their lobby activities. In the last session of Congress representatives of the gas companies quietly but effectively lobbied in opposition to the holding-company bill. Not only have they been guilty of all these things but many more. They have had the power of finance to stave off any fight in the courts that might be raised by a municipality. One case recently decided by the Federal court had been pending 10 years. They have become so powerful that a municipality can hardly compete with them. They have entwined themselves through the control of holding companies to such extent that the State commission finds them practically impossible to regulate. They are not a lone State problem, but, as I said before, a national problem.

We find directors who are directors in the power companies and industrial groups so that influence can be used for the continuation and protection of this monopoly. In a period of declining prices, all through the depression, we find that this monopoly had a constant increase in the price of gas. This did not go to the independent producer who sold it to them, but was extra profit for the holding companies and to the favored few who might control this octopus.

Just recently the Federal Trade Commission exposed the activity of the American Gas Association, who aided in a movement to decrease the British thermal unit to the consumers. The term "B. t. u.", or British thermal unit, does not mean much to those who realize that it represents the direct heat value of gas itself. The gas industry by decreasing the B. t. u. would naturally increase the consumption, because as the heat quantity declines, the amount used increases. It is similar to decreasing the number of pounds in a gallon. It has been estimated that this B. t. u. activity of the gas companies would have increased the final bill for cooking and heating in America \$490,000,000. The usual methods of suppression were brought about to keep this information from the public.

The Bureau of Standards in 1925 published a pamphlet which presented a mass of scientific data to the effect that the heating value of gas was in inverse ratio to the volume consumed. The industry had endeavored either to prevent or modify the conclusions reached. In a letter dated August 29, 1934, referring to this proposed publication, Mr. Abell wrote Managing Director Forward, of the American Gas Association, describing a conference with the Bureau of Standards, and stating that he knew "that many members of the gas association would not want to send out a report that would indicate that the charges for gas should be inversely proportional to the calorific value of gas."

He further expressed the belief that if the industry "watches its step with the Bureau, the Bureau will play the game our way as near as they know how." A. Gordon King, service manager for the American Gas Association, in referring to the proposed publication of the Bureau of Standards, said: "The more I study this document the less value of good to anyone I see in it, and if it were possible I believe it should be suppressed."

A letter was prepared for dispatch to the Bureau of Standards by the president of the American Gas Association, stating the industry's position, and the minutes of a conference among the leaders of the industry stated that: "The purpose of this letter is to stop further publication and distribution of the Bureau's report and to lead up to a conference with the Bureau at which an effort should be made to induce them to withdraw the copies of this publication already distributed."

You will find a feeling of cooperation between the electric and gas utilities. The large holding companies have asserted electricity and gas. Gas and electricity, as everyone knows, can be competitive, but if controlled through the same ownership, this competition, which would naturally bring decreased rates for the domestic consumer, would be done away with.

The same story of holding companies can be traced through those who operate the gas industry as that of electricity. The growth of capital assets, intercompany transactions, high interest

rates, and the pyramiding of company upon company are all evident. For instance, when I was a member of the legislature, I investigated the ownership of utilities. I found Kentucky-West Virginia Gas Co. owned by the Philadelphia-Louisville Gas & Electric Co., which in turn was controlled by the Philadelphia Co., in turn by the Standard Gas & Electric Co., which in turn was controlled by the Standard Power & Light Corporation, and this jointly owned by the United States Electric Power Corporation, and H. M. Byllesby & Co., and the holding company was United Founders Corporation.

May I also cite some intercompany transactions:

The United Fuel Gas Co. sold gas to the Huntington Gas Corporation for 26½ percent. They in turn sold to Union Gas & Electric at 45 percent, and this company finally sold the product at 64.7 cents. Upon every transaction the Columbia Gas & Electric collected management fees, not on the final prices, but upon each of the transactions. I also should like to note how the United Fuel & Gas Co. shows an appreciation of \$41,042,462 with the property valued at \$98,500,000. It is the same problem and the same group of insiders collecting whether it be electricity or gas and the consumers footing the bill.

Of course one must realize that the Securities Act and the Wheeler-Rayburn bill would do much to correct this problem, but we must be on our guard so that this combine will not develop to such an extent that it will be a burden on every consumer. This requires strict regulation of the gas pipe lines by the Federal Government.

It is important that America know more about this industry and that a thorough investigation be made of the activity of those who control it.

PUBLIC-UTILITY SECURITIES

I have been much interested in the public-utility problem and particularly interested in the holding companies that control public utilities. Of course, I could go back and trace the history of public utilities and holding companies, back as far as 1868 when the State of Pennsylvania gave the right to one company to hold stock in another by legislative enactment, and then on through the action of the State of New Jersey in giving holding companies a legal right to live, through the United Gas Improvement Co. started in 1882, and on through the Associated Gas & Electric Co. started in 1906, but there is no need to do that. We are interested in public utilities as they affect the United States today.

Of course, the public-utility game is a big one. Over \$25,000,000,000 is the estimated value of plant and equipment of public utilities in the United States. I should like to, in the few moments that I have, speak of public-utility securities as they affect those who buy them, and in doing that I should like to show some of the appreciation of the value of public-utility stocks and how that was accomplished. Of course, appreciation, or write-ups, which is the general term used, is the addition of the ledger value of stocks. There are four ways of appreciation:

(1) Through construction; (2) through purchases and inflation and intercompany transfers; (3) through consolidations, mergers, and greater reorganizations; and (4) through appraisals and revaluations.

How come the write-ups through construction? Public utilities must build lines. They must build their property in order to serve the customers. They have brought together their own construction companies, owned or nearly owned entirely by the holding company itself. I could cite Phoenix Engineering Corporation of the Electric Bond & Share, W. S. Barstow & Co. of Associated Gas & Electric Co., Byllesby Engineering & Management Corporation of the Standard Gas & Electric Corporation. In other words, these construction companies owned by the holding companies charge the operating company a certain fee for the construction of their properties. They not only reinvest that but they capitalize the interest and overhead over a long period of time. I will cite a few cases to show you that securities are not based on actual value.

The Brooklyn Borough Gas Co. shows appreciation by Associated Gas & Electric, where the Barstow Engineering Co. charged 2½-percent construction fee and all of this was capitalized and sold to the security holders of America.

Then we could go further and note the capitalization of organization expenditures, of utilities, of franchises, of privileges, of water rights. May I mention one of those? The Minnesota Power & Light Co. is a subsidiary of the Electric Bond & Share Co. We find capitalized organization expenditures, franchises, and certain water rights. That was also true in the case of the Niagara Falls Power Co.

Now, how could this appreciation or write-up be gained through purchases? That can be done through capitalization of improper items and transfer of properties to affiliates. May I note a case of that—the Central & Southwest Utilities Co., of the Insulls, in which certain improper items were capitalized and passed on to the security holder. That was also true of Cities Service. Then another way they sell the securities is capitalization of service contracts. One company has a contract with another company to give them certain management and official services. They sell that contract and make a profit. May I refer to the fact of Associated Gas & Electric having such a contract. It was sold to the Utility Management Corporation, another subsidiary. They in turn sold it to the J. G. White Management Co. and boosted the value of the service contract alone \$8,000,000, to be sold to security holders over the United States. Another instance of that is Standard Gas & Electric Co. They own the Byllesby Engineering

& Management Corporation, who sold the same contract back to the Standard Gas & Electric Co. and made hundreds of thousands of dollars, which was capitalized and sold to the security holders. Stone & Webster, through the sale of service contracts in a period of 7 years, increased their capitalization seven and one-half million dollars, based on nothing but the resale of their own property among their affiliates; and that is true of Cities Service and the Public Service Co. of Colorado, who in the same manner made over a million dollars.

Another way to write up is through consolidation and mergers. They want to consolidate some of their own companies, or merge, whether it be owned within or without their own right. The Arkansas Natural Gas Co. was an instance where the Cities Service stepped in and through consolidation had a write-up of \$5,669,975, and with that write-up came the sale of securities to the people, and they had to pay that. Another was the Ohio Fuel Corporation, a subsidiary of Columbia Gas & Electric, which group operates in the State of West Virginia, written up by \$164,915,000, and the Columbia Gas & Electric Corporation written up by \$97,185,000. The Federal Trade Commission in their report stated this is a write-up alone in these two companies through consolidation of their own properties of \$104,833,905. They add two and two together and get seven, and the people pay the difference between the two. May I cite another write-up that was boosted onto those that have to pay the bill. There are only two ways a holding company can make money. One is through the operating company, or through the consumer, and the other through securities they may sell. May I go back to the instance of write-up through consolidation and merger? Appalachian Power Co. in West Virginia was bought by the American Gas & Electric Co. When they consolidated on March 31, 1925, the company's worth was \$73,000,000. On the next day on the books this company's worth was \$139,000,000. Overnight we find the Appalachian Power Co. had a write-up of \$66,419,913; and the pressure became so great on the Appalachian Co. that they met 6 years after and wrote off approximately one-half that amount. Another one is a local situation, the Florida Power & Light Co. We find the Florida Power & Light Co. had a ledger value of \$28,213,209. Immediately upon the purchase of that company we find that it was written by the Florida Power & Light Co. to be worth \$58,448,217, or a write-up of \$30,235,008—103-percent increase. The only people that could pay are those who own the securities of the companies that may be sold from time to time.

Another way of write-up is through appraisals, sometimes horseback appraisals. When the Appalachian made the appraisal of that great system of electricity, they went through Kentucky, Tennessee, West Virginia, and Virginia looking at the properties. They said, "This is worth so much", and "That is worth so much", and "We will write it down at so much", and they wrote it down at so much—a horseback appraisal—and they went down the lines, horseback or anyway they could cover the various properties of the Appalachian Co., and we find they wrote appraisals by that method.

May I cite such an increase of stocks sold through the Byllesby Co., which was done in the case of the Northern States Power and Associated Gas & Electric Co., which you have heard quite a little about because of the escape of Mr. Hopson in Washington. We find the New York State Gas & Electric Corporation had their property written up from \$5,947,000 to \$10,860,000. In other words, the same company that owned them made an appraisal and found the value one day to be \$1 and the next \$2.

In my own State, may I be pardoned for citing, the United Fuel Gas Co., a subsidiary of the Columbia Gas & Electric Corporation, found their gas was worth more than they thought. They had the same fields, the same gas wells, same lines, same property, exactly, but they had Mr. White, an engineer, look at them. He made a new appraisal and he found it was worth \$39,751,229 more than they thought it was, and, of course, they increased the value of it, and the public paid the price, whether a rate payer or a purchaser of securities of the Columbia Gas & Electric Corporation.

The Florida Power Corporation found in 1929 that there was certain abandoned property coming about through the loss of the value of property in St. Petersburg and Clearwater and Tarpon Springs. The property was worthless. Did they write it off? No. The directors met in 1929 and did not write off a single, solitary penny of that \$1,054,370 which was listed on the value, and the people paid the price of it.

Associated Gas & Electric Co. wanted to get the value of W. S. Barstow & Co., which they owned completely. Barstow had a book value of \$315,000. At how much do you suppose the Associated Gas & Electric Co. listed the value of that company? Fifty-two million seven hundred and seventy-three thousand eight hundred and fifty-five dollars on a book value of \$315,000. Who paid that? Nobody but those who bought the securities of the company that operated at the top, the holding company. Another instance is the East New Jersey Power Co., where there was a write-up of \$8,898,048 of a company worth less than \$4,000,000.

The Cities Service Co. wanted to start a new company, and they started the Cities Service Power & Light Co., all owned by the same people, blood brothers of the same family, all go back to the top holding company, but by juggling the thing back and forth we find a write-up and increase in the value of their own companies of 165 percent, or \$106,104,403.

I could go through and show you numbers and numbers of instances, but what is the use? You, as securities commissioners, know them too well. And what has that done? It has absolutely proven that these utility securities in many instances are built

on nothing but water and gas and salesmanship, and you have no control over them. Very few State commissions do have control over them; and even as powerful as the Securities and Exchange Commission may be, they have no right to determine whether securities should be sold. They have the right to publicize them, but how many investors are going to pick up a 70-page prospectus and read it through before investing?

Now, as to the Associated Gas & Electric Co. stock, may I show you how this group have issued 3 classes of common, 6 of preferred, 4 of preference, 7 classes of guaranteed bonds and notes, 24 classes of debentures, 4 classes of investment certificates? You can take your choice, just like you go into a grocery store; if you do not like one kind they will sell you another. Take the Tri-Utilities Corporation, another holding company. They sold their securities, and do you know how much the preferred creditors got? Three and one-half mills on every dollar they invested. Terrible how we are stepping on these dear holding companies in Washington. They have cried on my shoulder until I have to wear a raincoat telling how we have tried to destroy the widows and orphans of America. May I give you some of the highs and lows on the stocks of some companies that love the widows and orphans of America? The American Gas & Electric Co. operates in my State. Their common stock sold at 224%, and the value after a few years to the widows and orphans of our State was 17%. How they loved the widows and orphans of America. The Columbia Gas & Electric Co. issued common stock and a number of kinds of preferred stock. We find that stock had reached a high of 140 in 1929, and it had declined in 1934 to a level of 6%. They want to protect the dear widows and orphans of America—those who had sold stock to as high as 100 which was worth 6.

Associated Gas & Electric stock in 1930 was worth 51½. Well, my friends, if you sold it the early part of this year you were well protected, even though you were a widow or orphan, because that same stock, worth 72%, was worth one-fourth of 1 point this year, based on water and stock. How can you expect to add to that any value because of all these write-ups and manipulation?

Cities Service Co.—their common stock was listed at 90% and it declined to a value of one point. For every \$90 you invested in Cities Service you got \$1 back, and, of course, they love you so well they want to protect that last dollar they have left you. And these Insull securities, you in the West know that better than the people down South; the famous \$6 preferred, based on nothing but appreciation. In that appreciation they did that by pyramiding of control. I want to give you a good investment, you securities commissioners. The Associated Gas & Electric Co. has a gold debenture out. If you have any children you want to invest for and want something to give them in the future, the Associated Gas has something to take care of that. They have issued a gold debenture stock that, if you are living, you can go to the Chase National Bank in 2875 and get it back. You can invest for 947 years in this. I have brought along with me a list of a number of stocks due after the year 2001 up to 2030. If you want long-term investments, you can get your public utilities to take care of these children that may live from time to time in the future. Why don't the stockholders come in and stop this? The kind of stock they sold to the stockholders has no voting rights; stocks A, B, C, \$6 preferred and at the top and special stocks have the voting rights. I cite an instance of pyramiding control of a \$150,000,000 corporation. They issue fifty million bonds, fifty million nonvoting preferred, fifty million common. Then they wanted to start company B below that and in order to take control of that fifty millions they must possess twenty-five million and a fraction of it. They start company B, issue ten million of bonds, ten million of nonvoting stock, and five million common. Not satisfied with that, the five million controlling the one hundred and fifty millions voting, so they start company C, issue two million bonds, two million of nonvoting, and one million of common.

It keeps increasing to such an extent that we find such instances as this, that the Byllesby Corporation through the Standard Power & Light, through an equity of three million, has a control of utility properties worth one and one-fifth billions of dollars. And the Associated system, through eight million ownership, controls a corporation worth more than \$1,000,000,000. Of course, the Standard Power & Light does that differently. They have common series B stock and common stock. If you want to vote, you have to own the common series B stock. The average investor doesn't know that. They do this through the pyramiding of control and by issuing great quantities of bonds and debentures by holding and operating companies which give control to the owners of stock equities; (2) issuance of preferred stock with no voting power whatever, or with right to vote contingent on passing dividends for a number of consecutive periods; (3) the issuance of various classes of common stock or participating stock only, one of which can be called the controlling voting power—they list them under A, B, C preferred or common; (4) through issuance of special class of cheap stock so heavily endowed with votes as to give the possessor control; (5) through creation of voting trusts by which the controlling stock of utility or holding company is placed in the hands of the voting trustees for a period of time; (6) by the issuance of controlling interests of large quantities of purchase warrants which permit those investing to secure the majority of the outstanding vote of the stock when existing minority control is threatened by the inclusion in the charter of a provision waiving the preemptive right of existing shareholders to purchase any new stock.

I could go on and show you instances of these various ways of pyramiding of control, but there is no need to do that. We all realize that pyramiding of control has been and is being prac-

ticed today. May I cite a company in my home State, the Kentucky-West Virginia Gas Co. The people down there think they are paying money to the Kentucky-West Virginia Gas Co., but upon investigation we find the Kentucky-West Virginia Gas Co. is controlled by the Philadelphia Co., Inc., and upon further investigation we find the Philadelphia Co., Inc., is controlled by the Standard Gas & Electric Co., and we find the Standard Gas & Electric Co. is controlled by the Standard Power & Light Co. When we find the Standard Power & Light is controlled generally by the United Power Corporation, and on top of that we find another holding company with voting rights, how can anyone find out who owns the stock, who owns the property, and what the value of the stock is? They say holding companies should be regulated, and the regulation should be through stocks. There is no economic value whatever to a holding company. It is an economic waste. As Will Rogers has said, "It is the man who holds the goods while the other man is being searched." You try to look into a utility company and find out its value in the State of West Virginia, and they inform you it is owned by a company in Delaware. You find Delaware company, and in turn it is owned by a company in New Jersey. Trace it further, and you find that it is owned by a company in some other State, until you finally end up by no one knowing and you finding out nothing.

As securities commissioners realize, all that must mean that securities are based on these increased write-ups and that must come from two sources. If a company has written up its value, whether it has become saintly overnight or not, the write-ups are still on the books, stocks are still out, and obligations are still out, and can only be recovered through two sources, one through the investor and the other through the rate payer. The investor has already paid the bill, but the rate payer is still available. They claim it doesn't, but how can any public-service commission investigate the actual value of a company when it is operating in a number of States closed and covered up by State regulations and laws that cross from time to time. That is not only true in the electric industry but it is now true in the gas industry. We find four large holding companies now controlling 58 percent of the gas companies in America and 11 are holding companies controlling 76 percent of them. In other words, the centralization of control is becoming just as great in the gas industry as in the power, and the people who buy the securities and the rate payer are going to pay for such write-ups and false securities and values. One way to stop this absurd sale to the people was done at the last session of Congress by the abolition of the holding company. My radio time has expired. I thank you for your kind attention.

THE ROOSEVELT POLICIES—ADDRESS BY HON. JAMES A. FARLEY

Mr. McADOO. Mr. President, I ask permission to have printed in the RECORD an address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, in San Francisco, August 1, 1935, on the subject of the Roosevelt Policies.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It seems superfluous for me to express the pleasure I feel in being in San Francisco and having a chance to talk over the political situation with my fellow Democrats. I don't know anybody who doesn't like to come to this beautiful city. Not only is there much to see that every American wants to see, but San Francisco has the charm of romance to a greater degree, I think, than any other community within the borders of the Republic. Most American cities have come along in humdrum fashion and are consequently pretty much alike, but you folks on the edge of the continent grew up by yourselves, developed a culture unique in its character independent of the rest of the country, with the result that you have done your own thinking. Undoubtedly this is due to the circumstance that you were an isolated community separated by long distances from other popular centers. Where most of our cities are tributary to some larger center and patterned after that large center, you for many decades have been a metropolis in your own right. For nearly half a century people thought of the Pacific coast only as meaning San Francisco. You developed your own great men and great women, your own great authors and artists, and not a few of the leaders of industry, whose names have become household words in New York and elsewhere, brought their wealth and talents to the East and identified themselves with the largest of national and international enterprises.

Your splendid universities and other public works that bear their names indicate how loyal and lasting was the affection for California of these men whose fortunes were founded here. I know that some of these may have been ruthless in their pursuit of fortune, but they dated from a ruthless period. The pioneers who defied the dangers of the great gold trek of '49 had to be strong men to overcome the stupendous difficulties in their way and to hew out careers on a difficult frontier. Their faults were the faults of a period and environment; their virtues were the qualities that mean success everywhere.

No observer of government could fail to note the high quality of the men you have sent to Washington from the beginning of your statehood.

No California audience needs to be told of the eminence of your senior Senator, HIRAM JOHNSON, in the councils of the Nation. Your junior Senator, WILLIAM GIBBS McADOO, through his vast

influence, his wide experience, and his ripe judgment, is of inestimable value to the country and to the administration. Your delegation in the House of Representatives ranks as high as any State's Congressmen and has contributed much to the wise legislation that has made possible the measure of recovery from the depression we have attained.

The Democratic Party cannot forget its debt to California. It was this State that kept Woodrow Wilson in the White House in 1916. It was California that insured the nomination of Franklin D. Roosevelt in 1932, and the vote of this State confirmed magnificently the action of your delegates to the Chicago Convention.

Yours has always been a progressive community. You have not feared to try stupendous experiments. This trait is part of the fine heritage that came to you from your adventurous ancestors.

Because we must recognize that the course being pursued by President Roosevelt is in itself pioneering, I feel that we can count on the continued support of the sons and daughters of your pioneers. It has required the same sort of courage that brought your fathers and mothers across the deserts and over the mountains, fighting their way with hostile Indians and the bandits that beset the trails, to inaugurate and prosecute the emergency policies that have marked the present administration in Washington. Franklin D. Roosevelt, when he came to the White House, felt that he was charged with leading this country out of the great depression. There were no precedents that he could follow in carrying out this great mission. For 3 years the country had been in the gravest trouble. Every month of that period showed an increase in unemployment, the closing down of factories, the destruction of confidence in the banks, and a growth of despair among the people. I will not say that no effort was made during this period to fight the depression, but nothing was tried except the puny expedients that had served to check minor economic diseases. It was as though some of the old-time remedies for a sore throat were applied to meeting the emergency of a ghastly mortal epidemic. It required strong measures to meet the situation.

I have heard the banking holiday declared by the President on the day of his inauguration compared with the shotgun quarantines of your pioneer days. It would have been perhaps difficult to reconcile the stringent activities of California's early days to strict legal requirements, but they were effective. So were effective the emergency measures enacted on the advent of the Roosevelt administration, which, starting in by rehabilitating the banking system, continued with such expedients as the National Recovery Act, the Agricultural Adjustment Administration, Civilian Conservation Corps, etc.

I do not urge that in the administration of these measures there may not have been mistakes and errors, but they served a great purpose, and the result of these measures is the difference between the country's condition today and what it was on March 4, 1933.

Yours is a political organization, and I want to talk over politics with you. It is perfectly natural that at this time, with a national election coming next year, the Democratic administration should be subjected to as keen a fire as our opponents can bring to bear upon it. That is the explanation of a flood of propaganda that has been inundating the country. It is true that all of this propaganda does not bear the Republican label. But there is no difference in the purpose of the onslaught, regardless of its source. The objective is to destroy confidence in the Roosevelt administration, and particularly in the President himself. By this process our assailants hope—no; I will not say hope, because I doubt if even the most sanguine among them thinks that Republican success is possible in 1936—I will put it that the dream is that by destroying the confidence of the people in the President, they can effect a return of the Government control to those who would restore the privileges which piled up enormous fortunes for the few and reduced the rest of us to poverty.

Not only is there a general assault on the legislation the President has sought to promote in Congress and a consistent effort to make our industrial and commercial gains attained under the recovery program seem small, or to deny them altogether, but there is also being conducted a whispering campaign. The word is being circulated that the President has broken down under the strain and that his decisions, instead of being the ripened judgment of a man stalwart in strength and mind, are the productions of a fretful invalid. I can tell you that hardly a day passes while I am in Washington in which I do not see and talk to the President. I can tell you also that he is in perfect health, that he is serene, and that he is living the busiest life of anybody in these United States, smilingly, cheerfully, and most effectively. Twice a week he meets the Washington newspaper correspondents. He faces several hundred of them at these sessions; they bombard him with questions, and he replies. Isn't it absurd to suppose that this host of keen, experienced men, many if not most of them representing newspapers hostile to the administration, would not have been quick to note any lessening of the President's powers? The story, of course, is without a vestige of a foundation. That, however, has not prevented its industrious circulation by word of mouth, by chain letters, and by every other means which could pass it around surreptitiously and in such form that its ultimate source cannot be traced. Well, there is nothing new in this, either to the President or to the Democratic organization. The same stories were told during the 1932 campaign in exactly the same way and in almost exactly the same language. The President plans to come out to this State after Congress adjourns to participate in one of the great

California expositions. You will be able to judge for yourselves of his physical state and the vitality of his mental processes. I only mention the matter now because doubtless a great many of you may have seen some of this scurrilous stuff and may have been alarmed by it.

The President has the most strenuous job in the world, but he is equal to it.

The Nation is fortunate that this statement is true. Let me ask you if there is one among you who has not thought of the bristling possibilities that threatened this Nation if it had not had for its head during the past few years an individual of consummate courage, skill, and endurance? Where would we be today if Franklin D. Roosevelt had not gripped the situation on his advent to the White House and carried out his program of restoration and rehabilitation? The Supreme Court recently decided that in establishing the N. R. A. the President had gone beyond the letter of the Constitution. So did Jefferson when he effected the Louisiana Purchase. So did Lincoln when he issued the Emancipation Proclamation. I am no constitutional lawyer, but I dare say that there were those who regarded the acquisition of the Pacific coast as part of the United States as open to constitutional question. None of this, of course, contravenes the fact that the Supreme Court is the tribunal of last resort and you have doubtless observed that the President, while he did not mask his disappointment at the N. R. A. decision, hastened to comply with it and to arrange the various emergency establishments in accord with the ruling.

Now, the other day I noticed that one of the newspaper columnists instanced an episode of the Taft administration, reciting that the then President, and thereafter Chief Justice, had vetoed a bill—the Webb-Kenyon Act—because he doubted its constitutionality. This, of course, was in line with criticism of President Roosevelt, who advised Congress that, in his opinion, it should not hastily discard legislation for the public welfare merely because a constitutional question was raised. That matter must be left for the Supreme Court to decide. What I was about to tell you was that in the recital of the Taft incident the columnist did not tell the whole story, for the bill that President Taft had vetoed was repassed by Congress over that veto, and the Supreme Court decided that it was constitutional and it remained in force until the repeal of the eighteenth amendment.

Yes, the 1936 campaign has already begun. Every act of the administration is assailed by the Republican spellbinders and the Republican newspapers and the crew of special-interest representatives who pose as nonpartisan defenders of the Constitution and work in the word "liberty" in the titles of their organizations. When Congress passes a law in accordance with the President's recommendation there is an immediate barrage to the effect that the President is assuming to be a dictator and that Congress is a mere "rubber stamp" ready to register his individual will. When, on the other hand, Congress objects or modifies some proposal the President has made, the G. O. P. batteries—open and concealed—send forth a broadside telling the people that the President has lost control of Congress and that Congress is a high-minded body of statesmen. Of course, this does not make sense. A President could hardly be a dictator today and be at the mercy of Congress tomorrow, and resume his despotism the day after.

The situation is simply this: The Old Guard wants to get hold of the Government again; and President Roosevelt, being an insuperable obstacle in their path, they feel that their only chance lies in breaking down the affection and regard with which the plain people of this country regard him. Naturally, such a campaign is not going to be carried on in any fine ethical spirit or with adherence to the truth if a falsehood will serve better. I presume you have noticed the events in Congress relative to the bill aimed to put an end to such frauds on the people and such larcenies of the people's money as was typified in the Insull case.

For a time, you will remember, you read about every day of the flood of telegrams from their constituents being received by Senators and Representatives protesting against the enactment of this bill. These messages were cited as showing the deep public interest and concern in the matter. At the recent senatorial investigation it was shown that these telegrams by thousands were filed by the interests that sought to defeat the Wheeler-Rayburn Act, that the signatures thereto were taken from city directories and telephone books, and that the senders knew nothing about them until some of the Congressmen replied to them. Instances appeared where the originals of these telegrams were burned in an effort to destroy the evidence of forgery. Moreover, there was revealed a million-dollar slush fund. The Associated Gas & Electric System admitted spending \$700,000 to fight this legislation. Chairman Philip H. Gadsden, of the committee of public-utility executives, testified to the expenditure of \$301,865 which he said had been used for attorney fees and lobbying activities.

Now the next time you read of the surging tide of public sentiment against some administration project or policy just remember the faked snow storms of telegrams to Congressmen and the million-dollar slush fund, and you can perhaps arrive at a real estimate of the alleged surge of public opinion.

Detraction of the President is the sole resource of our political enemies. In all the matter that they send out, in all the speeches that have been made by or for the reactionaries and exploiters, there has not been one word of a constructive character. They inveigh against the recovery program, but not by any chance do they suggest an alternative program. They denounce the expenditures to keep people from starving and to put the unemployed to

work, but never do they make a suggestion of how starvation can be warded off or men be put to work except in the manner in which this is being done.

The administration has been accused of extravagance. Let me call your attention to the fact that the routine expenditures of government, the normal, natural work of the various departments, are hundreds of millions of dollars per year below what they were when Roosevelt came to the White House. The only extravagance that can be justly laid to the door of the administration is the money it has expended in feeding the hungry, giving work to the jobless, and changing the business balances on their ledgers from red to black.

Let us just take a look at some of the results of the Roosevelt policies. For example, the amount paid in income taxes last year was \$200,000,000 greater than the year before. I wish each of you would make a mental calculation. Take the amount of income tax you have paid and figure what relation it bears to your income. Apply the same process to the \$200,000,000 increase that the Treasury reports, and it will be plain to you that the general public income in this country is three or four billion dollars more than it was a year ago. That is one yardstick by which you can figure what the Roosevelt policy has done for business. What it has done for the farmer you people in California can gauge from your own experience. The Department of Agriculture tells me that the cash sales making up California's farm income are \$65,000,000 more this year than they were last. I, of course, have seen and marveled at the two great bridges that are being thrown across San Francisco Bay. The employment they are furnishing and the impetus to business given by the purchase of the materials that go into them are tangible results of the President's program. Your stores, they tell me, are having an excellent season. These evidences of prosperity are not confined to California by any means. The automobile industry reports that it produced 2,300,000 cars and trucks during the first 6 months of 1935, a third more than in the corresponding period of last year and a good deal more than double those produced in 1933.

A familiar charge against the administration is that the profit is all going to the big fellows in business, to the detriment of the little fellow. Now, what are the facts? Dun & Bradstreet, that cold-nosed chronicler of business trends, announced that sales of general merchandise in small towns and rural areas in June of this year were 38 percent higher than for June of last year and 51 percent higher than the year before that. This business firm likewise reported recently that there were more retail businesses in existence now than there were during the boom that collapsed in the fall of 1929 and that the percentage of business failures was less than it had been for 15 years.

Yet, those who attack the administration are trying to convince the people that they are in a terrible plight, that the New Deal has failed and that the country's only salvation lies in giving back control of the Government to the outfit that led us into economic calamity.

I have gone into the subject of attacks on the administration at some length. Please do not get the impression that this means that there is any anxiety in Democratic headquarters as to the effect of the campaign of detraction. Our political fences are in good shape. I have no more doubt of the result of the 1936 election than I had before the 1932 election. But there is always this to be considered: No election was ever won by inaction, by permitting feuds within the party to take up all our attention, or by neglecting the great work of organization and education. Overconfidence has more than once in this country turned what appeared to be certain victory into surprising defeat, so I want to tell you that this is no time for Democrats to sit back and grin at what appears to be a futile foe. Moreover, an election is but one stage in the advancement of the great principles of democracy, so well expressed in a recent utterance of the President when he was asked by a newspaperman to define the object of his administration. He said then:

"The social objective, I should say, remains just what it was, which is to do what any honest government of any country would do—to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them more of the good things of life; to give them a greater distribution, not only of wealth in the narrow terms but of wealth in the wider terms; to give them places to go in the summertime—recreation; to give them assurance that they are not going to starve in their old age; to give honest business a chance to go ahead and make a reasonable profit; and to give everyone a chance to earn a living."

This country has made great progress under the Roosevelt administration. It will progress still further toward the goal of public betterment during Roosevelt's next term. The voters of the United States enthusiastically gave him his opportunity in 1932. They gave him a magnificent tribute of approbation in 1934. It should be the aim of every one of us to see that in 1936 his election figures shall be so impressive that nobody can make any mistake as to where the American people stand.

EUROPE AND AMERICA—ADDRESS BY SENATOR POPE

Mr. THOMAS of Utah. Mr. President, I ask to have printed in the RECORD an address delivered by the Senator from Idaho [Mr. POPE] on January 8, 1936, before the Institute of Arts and Sciences of Columbia University, in New York City, on the subject of Europe and America—Today and Tomorrow.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EUROPE AND AMERICA—TODAY AND TOMORROW

A subject as broad as this gives one the opportunity to browse over nearly the whole field of foreign affairs and to linger here and there as his fancy may dictate. It is a field full of interesting things. There are tangled thickets of trade barriers in almost every nation, dangerous embankments of governmental and commercial debts, rugged piles of military armaments, and the volcanic eruptions of war. But there also may be seen green pastures of improved economic conditions in most countries, clear springs of intelligent effort in foreign affairs, and the sun of international cooperation and good will.

In approaching the subject an American has certain intimate emotional reactions. His mind goes back over the relations of Europe and America since 1492, when a courageous European discovered this continent. He thinks of the struggles of colonization, of the conflicts among European nations and their reflection in the New World, of the great struggle between Britain and France for domination of the new continent, of the War for Independence, and varied relations between the two continents since that time. He realizes the ties of common blood and common culture. He appreciates the rich heritage of European progress toward democracy in government that made possible our Republic, which, we are convinced, is an advance in popular government. The American has inherited all the cultural treasures of his ancestors. After all, there is an intimate kinship between Europe and America, and the relationship is or should be a little closer than with the rest of the world.

In fact, the thing that impresses me most when I visit Europe is the closeness of that actual relationship. Wherever I have gone I found Americans at my elbow. Many of them were, of course, tourists like myself, but I found them also in almost every line of business—bankers, merchants, hotel keepers, lawyers, doctors, newspapermen, restaurant keepers, and cab drivers. I found American students in European universities and European students in American universities. I found American newspaper correspondents in every large European city. One can buy in any large city in Europe his favorite American shaving cream or cigarette. Daily happenings on either continent are known almost instantly on both. One speaks over the radio in any capital in Europe and is heard throughout America.

In every large city in Europe there are scores of representatives of American industry and commerce. One has only to attend a meeting of the American Club in Paris to realize the importance of the commercial ties between the United States and France.

The slightest depreciation in foreign exchange or a change in European tariff duties is a matter of concern to America. A change in the form of government in a European state may have important consequences in America. The triumph of nazi-ism in Germany, of fascism in Italy, and of communism in Russia produced the most widespread interest, if not consternation, throughout America. The setting up of a dictatorship in any European country has repercussions from one end of this country to the other. Communism, fascism, nazi-ism, Hitler's treatment of the Jews, to say nothing of currency depreciations and armament policies, are subjects of consideration in every town and hamlet in America.

So important are the interrelationships between the nations of Europe and America that the murder of an Austrian Archduke in 1914 started a war in Europe which involved the United States as a participant.

Europe today is much closer to America than one State was to another a few years ago. It is predicted by scientists that tomorrow the speed of airplanes at a thousand miles per hour will keep pace with the sun and that one may breakfast in New York, lunch in Honolulu, and dine in Shanghai on the same day. This would mean a trip from New York to London for lunch and matinee and back home in New York any day. Whether such amazing advance in transportation is possible or not it is certain that the relations of Europe and America tomorrow will be closer than they are today.

This all means that such relations and interests will become more complex and more integrated. This interdependence will become more pronounced as time goes on. There will be more social and economic problems for economists and statesmen to consider tomorrow than there are today.

TRADE BARRIERS

In spite of this close relationship between the people of Europe and of America there have grown up artificial barriers that threaten their peace. As the physical barriers of time and space are rapidly dissolving in the advances of science, social and economic barriers have shown no such tendency to disappear. In fact, since the World War artificial barriers have increased. These barriers take a wide range. They are economic, financial, military, and to some extent racial.

Those barriers having to do with trade and commerce are as numerous and varied as the parts of a jigsaw puzzle. They consist of currency depreciations, exchange controls, excessive tariffs, quotas, import licenses, consular fees, government monopolies, and taxes on payments made abroad. They include colonial preferences, economic boycotts, and discriminations of various kinds.

At the close of the World War, as one of the bases of a just peace, President Wilson in his famous 14 points declared in favor of: "The removal, so far as possible, of all economic barriers and the establishment of an equality in trade conditions among all the

nations consenting to peace and associating themselves for its maintenance."

The fundamental principle laid down—that of removal of trade barriers and equality of trade conditions—has been violated in almost every conceivable way by the nations of Europe and America. It is with regret that an American must admit that his country has been a serious offender in this process. Almost immediately after the war the United States began the enactment of laws generally increasing already high tariffs, which had the effect of contracting its world markets.

In 1930 the Smoot-Hawley tariff bill was passed by the American Congress and signed by the President over the protest of some 33 European nations and over 1,000 American economists. The law increased import duties on an average of about 30 percent. Immediately following its passage European nations began to follow suit by tariff increases and other trade restrictions.

Spain, for instance, withdrew most-favored-nation treatment from the United States and passed the Wals tariff bill. The tariff on American automobiles was raised from 100 to 150 percent, and exports of them were seriously impaired. Italy acted immediately. Her purchases were transferred from the United States. Switzerland promptly and effectively boycotted American products. To illustrate the sort of campaign that was carried on in Switzerland against the conduct of the United States in passing the Smoot-Hawley Tariff Act, a committee of the Swiss Chamber of Commerce circulated an advertisement in which it was stated "in order to react against a danger that menaces us and in a spirit of solidarity we ask all industrials, artisans, merchants, and consumers to ban from their offices, factories, workshops, garages, stores, and homes all merchandise coming from the United States."

As a result of the Swiss boycott exports from the United States to Switzerland decreased more than 50 percent between 1929 and 1931, while total Swiss imports decreased only about 20 percent.

In 1931 France established a customs quota system against which the United States protested vigorously. Canada retaliated in an emergency tariff act of September 17, 1930.

In 1931 and 1932 Great Britain adopted the policy of protection, and in the latter year the famous Ottawa agreements were signed in which preferences were accorded goods of the United Kingdom.

According to the United States Department of Commerce, in the year 1932, 65 commercially important countries introduced or increased their trade barriers. Coincidentally with these acts of the various nations, a feverish nationalism arose. Propaganda movements were started in the various countries. Such slogans as "British goods are best" in Britain and "Buy American" in the United States became common.

A few days ago in Washington a cab driver related to me the story of a cargo of apples consigned to France by himself and his associates. They arrived 2 days late. In those 2 days quota restrictions had been imposed and the apples were not permitted to be landed. Unable to find a market, the owners were forced to dump the apples into the ocean. In addition to the year's apple crop, each party took a \$1,400 loss in transportation charges. That is why one of them is driving a taxi, and his attitude toward the Republic of France is not one of intense friendliness.

Multiply this incident by millions of American exporters and the specter of strained relations raises its head.

CURRENCY DEPRECIATION

Along with the establishment of import quotas, licenses, and excessive tariffs, one nation after another began to depreciate its currency. Italy deflated the lira, Great Britain depreciated the pound, and the United States went off gold in 1933. This game added to the confusion and distress of carrying on international trade.

So long as the United States was able to float huge bond issues and lend to foreign countries money with which to purchase our goods, a degree of prosperity was maintained. In 1929, however, when such loans could no longer be financed with the savings of American citizens, a financial crash struck home. That fact, together with the trade restrictions to which I have referred, is largely responsible for the distressing economic conditions that have prevailed throughout the world during the last few years.

Let us for a moment try to visualize the end of these trade-restricting policies. Trade areas are continually narrowed; markets are inevitably reduced for the products of labor; individual purchasing power and standards of living are lowered everywhere. If carried to the logical end, man would return to the primitive state in which small groups, like the family or the tribe, would consume only what they produce. This is retrogression with a vengeance.

If history is clear upon any point, it is that the growth of human civilization has been concurrent with the growth of trade. Countless generations of explorers and scientists have devoted their lives to opening new channels of trade. Statesmen have striven by peace pacts and economic conferences to keep open these channels. As increased trade is the object of every individual business, so increased trade of nations has been the aim of the world's greatest statesmen.

Trade barriers can only serve as a detriment to the states of Europe and America and a threat to their peaceful relations.

WAR DEBTS

One of the most serious barriers to good relations between the United States and Europe is the governmental and commercial debts. There is considerable bitterness in this country over the failure of European nations to pay. In every effort to promote

friendship the specter of these overdue debts appears. Upon my return from Europe this summer a number of my friends inquired cynically whether the statesmen said anything about paying their debts to us.

Critical comment is heard constantly on the floors of both Houses of Congress. Legislation was passed a year or two ago denying the indebted nations the right to sell securities in this country. The vote on the adherence of the United States to the World Court was undoubtedly influenced to some extent by the attitude of Members on this matter. The columns of our newspapers and magazines contain almost daily criticisms of such nations. It colors the thinking and influences the attitude of the American people perhaps more than anything else.

In 1921 President Wilson issued a prophetic warning to the people of the world in his message vetoing the emergency tariff bill of that year.

"Europe", he said, "is not in a position at the present time to send us the amount of gold which would be needed, and we could not view further large imports of gold into this country without concern. If we wish to have Europe settle her debts, governmental or commercial, we must be prepared to buy from her. If we wish to assist Europe and ourselves by the export of either food or raw materials, or finished products, we must be prepared to welcome commodities which we need and which Europe will be prepared, with no little pain, to send us."

Until the last 2 or 3 years the United States has been doing two things utterly inconsistent. She has pursued a policy of contracting her markets, decreasing her imports as well as exports, and at the same time demanding payments from European nations. They do not have the gold with which to pay, and we eschew commodities as a substitute. It is virtually the height of folly to adhere to a policy containing no hope of the problem's solution and the removal of a constantly irritating barrier.

COLONIZATION RESTRICTIONS

Another barrier to good relations between nations consists of colonization restrictions. This has played a very substantial role in bringing about the Italian invasion of Ethiopia and the steady encroachment of Japan in China. There are two main contentions made by the so-called have-not nations, such as Germany, Italy, and Japan. They claim that colonies are needed to serve as an outlet for surplus population and as a source of raw materials.

I am convinced that the value of colonies as a physical outlet for population has been greatly exaggerated. After 45 years of occupation of Eritrea by Italy there are now only about 4,000 Italians living in that colony. It is also claimed that there are some 40,000 Frenchmen in the French colony of Tunis and about 90,000 Italians. There were residing in all the German colonies at the outbreak of the World War less than 50,000 Germans. It is true, however, that the people believe their countries are overpopulated, and the result is the same.

With reference to necessary raw materials and markets, much more can be said for the contention. It is generally true that real trade preferences exist in favor of the mother country. There are undoubted discriminations against the have-not countries. Japan, with her 60,000,000 people and her area about the size of California, one-sixth of which is arable land, has experienced increasing internal pressure for colonization. Had it been possible for the Japanese to import raw materials and export manufactured products, she could have maintained her standard of living without the sort of expansion which we now see going on, in spite of a one-million annual increase in her population. The United States, Australia, and New Zealand placed rigid restrictions upon Japanese immigrants. China declared tariff autonomy and Japanese trade became insufficient with which to buy food for her ever-increasing population. Without contending that Japan is justified for her aggressions in China, it is safe to say that colonial trade restrictions and other barriers have had tremendous influence in bringing on the present crisis.

It is also safe, I think, to draw the conclusion that not until colonial and other trade preferences are removed will the world be free from the threat of such aggression as Japan and Italy are engaged in today.

MILITARY ARMAMENTS

Concurrent with the constriction of trade, ill-feeling, nationalistic hostility, and increased armaments have arisen to plague us. At the close of the World War it was recognized by statesmen at the peace conference that a reduction in armaments was necessary to the peace of the world. So much was recognized in the language of the peace treaty. The disarmament of vanquished Germany, Austria, Hungary, and their allies was justified by the victors on the theory of progressive disarmament among the allied nations. Before the German delegates to the peace conference signed the Versailles Treaty, assurance was given them that a policy of disarmament would be followed by all the great powers. This policy was not carried out. Evidence adduced by the Special Senate Munitions Committee laid the blame in part on activities of the world's powerful munition makers. It was also due, I am convinced, to the policy of economic nationalism and ill will to which I have referred.

Today all the powers of the world are spending more for military purposes than ever before in peacetime history.

Japan has given notice of the discontinuance of the Washington Disarmament Treaty at its expiration at the end of 1938. That the nations of the world are engaged in an armament race is no longer a matter of conjecture. The race is on.

The United States has an annual armament program of about a billion dollars. Great Britain's expenditures for the year, probably more than \$650,000,000, not including estimates for her air force, are much larger than ever before. It seems certain that expenditures for replacing battleships and for aerial armament will in 1938 exceed those of any previous year in time of peace.

The increase in expenditures for military purposes is bad enough from the standpoint of the taxpayer, but the greatest menace is the increase of killing power in modern implements of war. Incendiary bombs, high explosives, and other death-dealing implements are being manufactured in enormous quantities.

Like the dope addict smothering his emotions in a drug, nations endeavor to rationalize their fears by ever-increasing armaments. In either case the ultimate result is self-destruction. Unless the mad scramble for supremacy in arms is checked, its reasonable result can only be another world war.

RACIAL HATRED

Within the last few years another ancient barrier has reared its head in the rising tide of racial hatred. Hitler's anti-Semitic campaign has resulted in virtual boycott of Germany by Jews in America as well as other parts of the world.

INTENSE NATIONALISM

Both as a cause and as a result of all these barriers a spirit of intense and narrow nationalism has arisen in most of the nations of the world. An attitude of distrust and suspicion of all things foreign prevails. The motives of foreign statesmen are impugned, and charges of intrigue and selfishness on the part of foreign diplomats are frequent. Evidence of hostility toward European nations can be found in public and private expressions of opinion by American citizens. Newspapers frequently exhibit such an attitude in their news columns and editorial comment. It is not uncommon to hear the statement in this country that "All Europe is a hotbed of intrigue and is trying to get the United States involved in it."

Thus we have a world beset by ills. A racial hatred causes an ache here, tariff discrimination a pain there. National grievances are heard on every hand. Dictators have seized power in several countries, and the people of those countries have, for the present at least, surrendered much of their freedom.

While I was in Europe this summer serious-minded and responsible men everywhere expressed their fear of war. At that time the immediate fear was that Italy would make war upon Ethiopia. That has now been done. The British feared Italian designs upon their Empire and possible war. The French are in constant fear of an attack by Germany, particularly under the Hitler regime, and they fear the danger of a combination between Italy and Germany. Russians are alarmed over the danger of an attack from Germany on one side and from Japan on the other. The democratic nations of Europe all fear the warlike designs of dictators. As one responsible European said to me, "A dictator is like Mephistopheles, in that he goes about seeking whom he may devour."

Is it any wonder that most of our modern writers and statesmen are pessimistic? Recently Frank H. Simons declared, "No system of organized peace is possible under present economic conditions." In the address of President Roosevelt a few days ago to the Congress, he asserted:

"Not only have peace and good will among men grown more remote in those areas of the earth during this period (since 1933) but a point has been reached where people of the Americas must take cognizance of growing ill will, of marked trends toward aggression, of increasing armaments, of shortening tempers—a situation which has in it many of the elements that lead to the tragedy of general war. * * * To say the least, there are grounds for pessimism."

All this presents a gloomy picture indeed. It raises the age-old question of whether humanity has the stuff in it to save itself. I must admit the outlook tests one's faith in the ability and integrity of the race to preserve what it has achieved and to make further progress.

While the gloomy side of the picture predominates, there are streaks of light to be seen. In most of the nations of Europe, as well as in America, economic conditions are improving. In some parts of the world, as in America, they are improving rapidly. Heroic efforts are being made to deal with the matter of trade barriers. In the United States under the law providing for reciprocal trade agreements the State Department has done noble work. A number of important agreements have been entered into with other nations reducing tariffs and removing other restrictions to trade. This process is going on throughout the world, and foreign trade is showing a substantial increase.

Everywhere in Europe I found a deep desire for peace. I am convinced that 90 percent of the people of the world want peace. The responsible statesmen in the democratic nations of Europe are seeking to follow a policy that will promote peace and will prevent the spreading of the Italian-Ethiopian conflict into a general European war. At Geneva this summer over 50 nations, through their representatives, strongly committed themselves to the principles of the League Covenant in opposition to aggression and war. Never in the history of the world has there been such a massing of sentiment in opposition to a campaign of military aggression. Every action of the League of Nations has been designed to prevent or end war without bringing on armed conflict between the nations which are members of the League and Italy. League action has been limited to financial and economic sanctions in the hope of avoiding armed conflict and at the same time of asserting an effective pressure upon the aggressor to bring an end to the war.

Any serious study of foreign affairs must, it seems to me, result in two very definite conclusions.

First. Most of the problems plaguing the nations are international in character.

Second. Remedial action, to be successful, must be of a type agreeable to and concurred in by all nations.

Some of the powerful nations of the world have not yet accepted a system of working out their mutual ills in a manner agreeable to all.

The United States is still trying to solve many international questions without cooperation with other nations, yet every barrel of oil and every bale of cotton shipped to Italy at this moment is immediate proof that we cannot be disinterested and aloof. Nothing is more certain than that the problems arising out of our foreign trade are international in character and must be solved by an international remedy.

NEUTRALITY

Today America is trying to be neutral. Neutrality, according to the dictionary, means no active assistance to any belligerent. Under that definition one cannot conceive of a course under modern conditions by which the United States could be neutral. During the World War, and prior to our participation, the United States attempted to pursue a policy of neutrality. And yet it is certain that her course was of great assistance to the Allies to the detriment of Germany. This was due, of course, to the fact that Great Britain controlled the seas and could effectively blockade Germany.

In 1935 the Congress enacted a neutrality bill requiring the President to place an embargo upon arms, ammunition, and implements of war to belligerents upon the outbreak of war. The President has declared such an embargo in the Italian-Ethiopian war. It is perfectly clear that the effect of this embargo is to benefit Ethiopia to the disadvantage of Italy. The application of such an embargo to Japan and China in the event of a war between them would work to the distinct advantage of Japan. Under any plan that has been suggested, so far as I know, the result would be similar; that is, work to the advantage or disadvantage of one party or another to the conflict.

There are about five different courses that have been suggested to keep us out of war.

First. That the old rules and forms of international law established before 1914 should be followed. These would preserve the doctrine of freedom of the seas. Under this course a neutral nation would be permitted to trade in war time as in peace, except where ports were effectively blockaded. Neutral ships could be searched on the high seas for contraband. This is the course pursued by the United States during the World War prior to our participation as a belligerent and which led us into the war. This course has caused us to become involved in every major European war where a maritime power was a belligerent.

Second. It is suggested that no exports to belligerents be permitted on American vessels; that vessels of such belligerents should be permitted to come to our shores and obtain the goods. This is sometimes called the "cash-and-carry" plan. This would, of course, mean the ruin of American shipping interests. It would mean surrender of freedom of the seas and would place the United States at the close of the war at the complete mercy of the shipping interests of other countries. It would mean giving active assistance to the nation that commands the seas. Such a proposal would not deal with the dangerous and difficult problem of transshipment of our exports by neutrals to the belligerents.

Third. A complete embargo upon all exports to belligerents. During the Napoleonic war in 1807, this was tried by the Jefferson administration, with results so distressing to industry in the United States that an aroused public opinion forced repeal of the embargo acts. We then proceeded to trade as usual and got into the War of 1812. It is not likely this proposal will receive serious consideration by Congress.

Fourth. A compromise proposal such as is contained in the administration bill introduced on January 3, a few days ago. This bill extends the provision for an embargo upon arms, ammunition, and implements of war; it gives the President power by proclamation to limit export of necessary war materials to the normal amount in peacetime, with further provisions restricting travel on belligerent ships and loans to the warring nations. This is the sort of bill which is likely to be enacted by the present Congress. It is obvious, of course, that such a bill does not avoid discrimination as to one or the other of the belligerents. It may be in favor of the aggressor or the victim. It will probably prevent the most effective application of economic sanctions by the League nations, and thus prolong the present war. And in the event of a future war between Japan and Russia, for instance, since Japan buys over one-quarter of her imports from the United States, our policy would give vital aid to Japan. The trouble is that in modern times real neutrality is not possible. We do not live in a neutral world.

COLLECTIVE SECURITY

Fifth. The final course that has been suggested is cooperation with the other nations of the world in measures undertaken to prevent or stop war. This would mean working with other nations in such measures. It would mean at this time that the United States would cooperate in carrying out sanctions—more specifically, in placing an embargo upon those articles and commodities such as coal, oil, iron, and steel that have been interdicted by the League. It will mean, of course, a change in the conception of neu-

trality. This takes time. It is unlikely that any such cooperation with the League of Nations will be considered by the present Congress.

This is the situation today; but tomorrow America will find it necessary to take part in a system of collective security among the nations. Under modern civilization the interdependence of nations will make such a course inevitable. The demand for law and order and progress among the nations of the world will develop a system similar to that which has grown up in every civilized community in the world. This will determine the relations of America and Europe tomorrow.

NATIONAL HOUSING PROGRAM—ADDRESS BY SENATOR WAGNER

Mr. COSTIGAN. Mr. President, on December 3, 1935, the junior Senator from New York [Mr. WAGNER], who speaks with exceptional authority, delivered an important address on the National Housing Program before the National Public Housing Conference in New York City. I ask unanimous consent that his address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I felt deeply honored when invited to speak under the auspices of the National Public Housing Conference, an organization known throughout the country for the distinction of its leadership and the quality of its services. Those of you here today are not recruits but veterans in the campaign for better housing. You have always glowed with the ardor of every humanitarian endeavor.

But while there is nothing new about your services, you have heretofore been in the relative obscurity of those who do the real spade work, who translate public need into public demand. It is only very recent events that have brought you complete recognition upon the threshold of fulfillment. First of all, it was the depression that revealed not only to the penetrating social worker but to the average man everywhere the ugliness and squalor in the underprivileged lives of the slum dwellers. Then it was the victory over hard times that brought renewed faith in our united capacity to remove such ugliness from the American scene.

No well-informed New Yorker needs to be told about the slums, and it is certainly no pleasure to review their sordid history. But it is easier for us to hear about these conditions than it is for the victims who are oppressed by them every moment of their lives. The time has come to face the whole truth with realism and to act upon the facts.

Every new study of the slums creates a fresh impact of tragedy and horror against our hearts and minds. This very year we have learned in greater detail about the more than half a million families in this rich city who barely exist in substandard homes. It may seem overprecise to attempt to divide their misery and destitution into different gradations or degrees. Certainly we know that the people even at the top layer of this underprivileged group suffer severely enough. But I cannot refrain from noting that the 23,000 families at the very bottom are paying, and can afford to pay, rentals only one-third of the amount necessary to secure decent living quarters.

Perhaps most New Yorkers and those who do not live here have been too prone to magnify the differences between this city and the rest of the country. In respect to terrible housing conditions I wish for the sake of the rest of the country that the difference did exist. But, on the contrary, searching inquiry by the Department of Commerce indicates that in American cities at large at least 20 percent of the homes lack elementary sanitary facilities and are not fit for decent living. And when we turn from the metropolis to the countryside we find conditions even worse. Despite the much-heralded joys of rural living, there are many States today where only one home in a hundred has a bathtub; only two in a hundred any kind of running water. Generalizations are often dangerous, but it is safe to generalize about housing in the United States. For millions of people, through no fault of their own, housing is wretched and disgraceful. One-third of the total population live in homes injurious to their health and endangering their safety and morals.

"Health, safety, and morals" has become a phrase that is bandied about rather loosely. We should never allow it to become a mere legalism, a stereotyped slogan devoid of real meaning. We cannot be reminded too frequently that where the sun is not permitted to cast its healthful rays into the tenement room, 3 out of every 4 babies are afflicted with rickets; the danger of contracting tuberculosis is 30 times as great as under normal conditions; the infant mortality rate is 3 times as high as among the well-to-do. It is easy to collect these figures. But only several generations of bitter experience can reveal the cumulative effect of undernourishment and dampness and cold upon millions of unfortunate, who spread the contagion of their infirmities among society at large.

The conditions that impair health are not consistent with safety. Year after year we find that conflagrations in New York are most numerous and most dangerous in the crowded and rotting old-law tenements built before 1901. In 1934, 81 human beings were needlessly burned to death in the firetraps of this city.

The boon companion of poverty and disease is crime. The pioneer work done by the Cleveland crime survey years ago has now been supplemented by the research of the New York City Housing Authority. We now know that in the worst slum area of Manhattan, the number of arrests per thousand people is two and one-half times as great as in nonslum areas. We know also

that the dragnet of the law enmeshes women within its folds four times as frequently within the slums as elsewhere.

Even more shocking have been the discoveries with regard to the young. The rate of juvenile delinquency is four times greater in the worst slum area of Manhattan than in nonslum areas. An earlier Chicago study drew an even more vivid contrast by comparing a very poor section of the city with one of the most prosperous. It found that lawlessness among children was over 300 times as great in the Loop as it was on the North Shore.

This juvenile delinquency, and the high truancy records that accompany it, are but phases in the process by which the underworld is becoming a hunting ground reserved for the young. If we regard all persons under 21 years of age as juvenile, we find that three-quarters of all delinquents are between 13 and 16. Over one-half of all serious crimes are committed by people who have not celebrated their twenty-sixth birthday. Only some of us believe that almost all criminals are products of social mistreatment. But none of us would deny that when children on a large scale go astray, the injury that they can do to society is trivial compared to the injustice that society has perpetrated against them.

Fifty years ago the juvenile offender was thrown into a common jail, there to learn mastery in transgression from the hardened criminal. We pride ourselves on our progress since then. We have created special laws, special courts, special judges, and special houses of correction. But withal, we have hardly scratched the surface of the problem because we have not attacked it at the source. For every child of the slums who enjoys a playground, 11 are forced into the streets, there to be thrown up against every evil influence of the city. Millions are subjected to living conditions that blunt the intellectual and moral development of the average child, and that produce, even in the exceptional child, seething resentments likely to make him an exceptional criminal. To attempt correction only after the child reaches a court is as foolish as it would be to make people live in swamps, and then to provide grand hospitals for the isolation and treatment of malaria.

Occasionally one hears the claim that the corruption of the young is not due to bad housing and the slums, but rather to the streets, or the home environment, or heredity, or a multitude of other causes. Those who voice these objections are either indulging in hair-splitting and unreal distinctions, or they are the selfish few who attempt to block progress by indirect methods. Of course, all the social tragedies of mankind are part of a tangled web into which are woven the strands of many causes. But in attempting to untangle the web, we must begin somewhere. And if our concept of the home as the center of civilization has any meaning, how can we begin better than by creating the necessary conditions of a happy and healthy home life?

This is not empty theory. It is based upon experience. A study in Liverpool showed that when families were relieved of slum conditions their annual tuberculosis death rate fell from 4 per thousand to 1.2 in the short space of 4 years. It is reliably estimated that about 90 percent of those who have had an opportunity to get away from the slums have soon proved themselves in every respect the equal of any element of the population.

Closely connected with these human considerations are the economic aspects of the slum problem. A study of a large representative city showed that the per capita cost to society for the care of fire hazards, juvenile delinquency, disease, poor relief, and insanity, was seven times as great in the slums as in other areas. In addition, there is the unavoidable loss in industrial efficiency, when men and women are driven to work undernourished in body and spirit, with lowered resistance against industrial disease and accident. Finally, we must not neglect to consider the corroding effect upon democratic principles and practice, when so many see themselves denied the basic opportunities for living full lives.

It is indeed disconcerting to note that slum-living has taken on a more permanent character in recent years. When our population and industries were expanding rapidly, when the Nation was young and large waves of immigration succeeded one another, the slums were taken over from time to time by newcomers. These newcomers first pushed the older occupants into better living quarters, and then in their turn moved upward as their conditions improved. While it was never nice to think of anyone living in the slums, at least we comforted ourselves with the thought that it was merely the first step in a constant progress. Perhaps the picture was never as rosy as we thought it. But in any event, the situation today is certainly different. Millions of people are now finding the slums not a starting place but a perpetual habitat. They were born in the slums, they are spending their whole lives there, and they will die there if nothing is done to help them.

To state this development in another way, we are passing from an age when the worthy individual could help himself to an era when we must rely more and more upon cooperative action. No longer is it easy for a man to build his own home, to go prospecting in the West, or to rise rapidly in industry. Society has become more stratified. There is, of course, no reason why we should abandon hope or cut short our efforts to raise wage standards, or lose our objective of giving dignity to all occupations. But we need to realize fundamentally that individual action must be supplemented by a well-planned and coordinated housing program for the people of the country.

A program of this kind must include not only slum clearance and low-cost housing but also the development of better homes for people of moderate means, and the replacement of obsolescence of all types. In every phase of this program, from top to bottom,

private industry should and must bear by far the major portion of the undertaking. Such a requirement is consistent with our practices and consonant with our principles of economics and government. The rebuilding program which this country needs, involving an expenditure, almost entirely by private agencies, of about \$65,000,000,000 over a period of 10 years, would prove a boon to every trade. It would absorb the technological unemployment caused by the machine process. It would place our national prosperity upon the sound foundation of a healthy condition in the durable-goods industries.

But low-cost housing for the wage earner of the lowest income cannot be left to private industry alone. On this issue experience speaks decisively. Limited-dividend housing corporations, even at their best, have not reached the really low-income groups, but rather the skilled workers and professionals. In New York, under the Housing Act of 1926, the average monthly rental has been between \$10 and \$11 per room. This touches only the needs of those whose earnings are between \$1,500 and \$2,500 per year, or only one-third of the population in normal times. Between the first tenement house survey 26 years ago and 1932, the families occupying old-law tenements declined only by seven-tenths percent per year. At that rate, it would take about a century and a half to get the city decently housed. We cannot afford to wait that long.

It is elementary that private enterprise, no matter how unselfish, and no matter how well executed, must operate at a profit. It is clear also that private enterprise alone could not make any profit by providing the poor with more costly housing than they are able to pay for. But that is just the kind of housing that millions of people must receive if they are to be decently housed at all. No family earning less than \$1,500 a year can buy suitable lodging. And even in 1929, over 42 percent of the families in America fell below that income level. Twenty-one percent, indeed, were earning less than \$1,000 annually. To care for these groups, there must be private industry plus public help.

The object of public housing, in a nutshell, is not to invade the field of home building for the middle class or the well-to-do, which has been the only profitable area for private enterprise in the past. Nor is it even to exclude private enterprise from major participation in a low-cost housing program. It is merely to supplement what private industry will do, by subsidies which will make up the difference between what the poor can afford to pay and what is necessary to assure decent living quarters.

This subsidy idea, like schools and parks, hospitals and public libraries, embodies the principle that the distribution of our national income has not been entirely just, and that the interests of all the people require that the Government play its part in promoting improvement.

No one who has studied the widely successful European experience will talk sincerely of housing the poor decently without acknowledging the need for public subsidy. In England, large grants have not only raised standards of living, but also helped every part of the building industry and contributed mightily to the restoration of better times.

The bill that I introduced at the last session of Congress, and that I believe will be pushed to a successful conclusion when Congress meets again, is built around this principle. While the subsidy must be Federal, the initiation, the supervision, and the major part of the financing of a home-building program must be left to the localities. This is desirable not only from the administrative point of view, but because homes are part of the fabric of community life. They express sectional and regional habits and ideals. They must reflect spontaneous impulses of the people themselves.

I feel sure that everyone will become enlisted in this campaign to tear down the slums. There is involved here not merely the removal of dilapidated buildings that are eyesores in the center of prospering cities; not merely a program for civil reform or economic improvement. There is involved the destruction of suffocating dwellings from which children of tender years are driven into the streets of vice and crime. There is involved the introduction of joy and health into the barren lives of millions of parents and their children. What heart can fail to beat in sympathy with a project to supplant disease with health, to replace discrimination by opportunity, and to do all those things that transfer human liberty from an idle dream to an inspiring reality?

ASSOCIATE JUSTICE WILLIAM GASTON—ADDRESS BY SENATOR BAILEY

Mr. WALSH. Mr. President, I present, and ask that there be printed in the CONGRESSIONAL RECORD, an able and interesting address delivered at Raleigh, N. C., by the senior Senator from North Carolina [Mr. BAILEY], upon the occasion of the centennial celebration of William Gaston, distinguished Associate Justice of the Supreme Court of North Carolina from 1833 to 1842.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The present Commonwealth of North Carolina is unique in that its white population is not less distinctly English than England itself. North Carolina is no melting pot. If in the Western World there is an old England, it is within the boundaries of North Carolina. We are in truth but an extension of that England across the Atlantic which now for 3 centuries has presented to all other nations the example of a people competent under all conditions,

equal to every demand, flourishing throughout 10 generations of increasingly rapid change, and at the last standing forth, amid crumbling structures of government, serene, contained, and forward—the most stable of all the peoples of the Old World.

England's capacity lies altogether in her competence to produce as need requires strong men with power to command the confidence of the masses, the while they have maintained in public and private life the noble ideals and virtues received from Heaven and proved by the experience of the race of mankind—the virtues of morality, of courage, of tolerance, of common sense, of religion—a capacity in the people to appraise such men at their worth and, therefore, to prefer them to all others. The demagogue gets nowhere in England, and may Heaven continue to grant North Carolina the same deliverance.

Our North Carolina heritage is no common heritage. We draw today our life as a people from 1,000 years of English experience, 700 in England, 300 in America; an experience of the progress of virtuous men and women, to liberty, and in that liberty to self-reliance and self-competence. It is a heritage that no one generation may destroy, that no series of calamities may take away. It is in the blood of a thousand years that fails not to reproduce after its order. Not infrequently it is said that North Carolina has not brought forth famous warriors, statesmen, scientists, or men of letters. But it cannot be said that she has failed to produce great men or that she has failed to work out a noble civilization.

In the first half of the eighteenth century, the formative period of our Commonwealth, upon our scene four men of the first magnitude, men comparable to the great in any age—Nathaniel Gracot, William Gaston, George Badger, and William A. Graham. Granted that none of them attained unto the fame their greatness deserved, all they lacked was the accident of station. Each of them commanded, from their more eminent associates in the national life, tributes of deference and encomium that leave no doubt of his stature measured by the recognized great. Each of them left memorials in achievement and utterances that continue to exalt them after the lapse of many decades.

Tonight, 100 years after one of these—William Gaston—made his crowning contribution to our Commonwealth, the church from which he drew the heavenly standards and moral ideals that guided his exalted earthly course celebrates his character and invites its children and all others to recur to his deeds and thoughts, confident of their inspiring power, and not less confident that the crowded decades since he ceased to move upon the earthly scene have produced in this region no more lofty example, no more noble man. I would present him as a youth who sent a perfect model of filial piety and diligence in every man-making task; as a lawyer who adorned and elevated a great profession; as a statesman whose conduct commanded the highest eminence; as a citizen who exalted his relation to the State; and a churchman who was faithful to his church until the uttermost. Unequal to and unworthy of the task as I am, I gratefully accept the honor and humbly seize an opportunity as great as it is rare.

As a youth, as a student, as a man, a citizen, lawyer, jurist, and churchman, William Gaston was distinguished by the mold in which the soul was cast—and that mold was fashioned by his Catholic mother, a widow from the time when he was 3 years of age. He was undoubtedly gifted in rare degree in natural endowments, but it appears that his best gift from his earliest youth was his singular susceptibility to a saintly mother's devoted influences. Reviewing his career as a whole, there is but one reconciliation of the child, the man, the jurist, the Christian, and the statesman—and that is his steadfast concern to be true to all that was noble, his responsiveness to the holy hopes of a pious mother, a concern that wrought in him an integrity of character, a breadth of learning and loftiness of conduct that exceeded his other achievements, noble as they were. One must, in order to appraise him, behold him as the man produced by incessant and tireless self-improvement, beginning in early infancy, guided all the way by the highest standards of piety, and an unfaltering adherence to the noblest ideals; receiving at length the offer of the highest honors the State could give, and having added to these the highest honorary degrees of Columbia, Pennsylvania, Princeton, Georgetown, and other universities.

William Gaston's father was of French Huguenot descent; born in Ireland, a physician by profession, a graduate of Edinburgh Medical College, and a surgeon in the English Army. He resigned this position and emigrated to our New World, settling at New Bern. His mother was an English lady, Margaret Sharpe. The son was one of two children of this union, the other being a daughter, who became the wife of our Chief Justice John Louis Taylor. He was born 1778, in the years of our American Revolution.

The little and happy family was all too soon to be overwhelmed by disaster. An ardent Whig and supporter of the Revolution, the father was shot to death "over the heads of his wife and children" by the Tories, for no reason other than that he was a captain of volunteers in the cause of our country's independence. Years later William Gaston referred to this event in a speech in the Congress of the United States, when challenged for his moderation and his counsels of peace with respect to our course with England, by remarking that he "was baptized an American in the blood of a murdered father."

It is not unlikely that this dire affliction had an incalculable influence upon Gaston's career and character. He became at once the only son of a widow of scant means—a child of misfortune, whereas he had been born a child of fortune. The mother never recovered from her grief. Her path through life was the path of

sorrow. But she was not without recourse. She was a devout Catholic, a true Catholic, who found in her church not the antidote to grief but the means to triumph over every woe that life might bring, the Heavenly guidance in every hour of darkness, the faith to carry on, and the moral ideals that qualified her to be the mother of a noble daughter and a great son.

So far as kindred were concerned, the widow and her little children were alone in the southern part of the new Republic, but in faith she possessed the heritage of all who suffer in all worlds and all ages. She was not alone, but rather was compassed about by a great cloud of witnesses. The broken heart could not yield. It is recorded of her that she was a woman of prudence and energy and that she reared her children in the faith from which she drew the strength to endure and triumph. To precept she added example, and to example precept. To say what would have been the event had the father lived would be to speculate. It is enough to record that out of a home so dark the light of a mother's faith has shone a century and a half, and never more brightly than now, when a proud and grateful people bear witness that death and a hundred years, which have swallowed up hundreds of millions in a common oblivion, have not only not been sufficient to quench the flame of the life of a child of that darkened home, but rather bear witness to its power.

I cannot resist the temptation of the moment; I would bid you bow at the feet of the daughters of sorrow, the mothers of the great. I would speak to many of the present day the word of cheer—there is no disaster, there is not power sufficient to overthrow a mother who loves her children, and sustained by piety the while she pours out her life to bring them up in the fear of the Lord and the faith of her church. The darker the night the brighter shines the light of a mother's faith. The deeper the waters the more moving at length the tide upon the shore.

The first student to enroll in the Catholic college at Georgetown, D. C., was William Gaston, aged 13 years. The mother managed that and his preparation for that. The first of a long and increasing line, it was a good omen for this institution, since grown to national importance, that he was pronounced "the best scholar and the most exemplary youth in the college." So he set an example to all who have followed him to Georgetown. Most appropriately have the authorities named the main hall of Georgetown University in his honor.

After 18 months of too earnest pursuit of his studies he returned to his mother's home—there to remain, studying in the local academy until 1794, when he entered Princeton College, from which within 2 years he graduated with the highest honors of his class. One catches a fresh insight into his soul when he reads that, after his State had laid its highest honors at his feet and he had made a long succession of conquests, he continued to say that the proudest moment of his life was when he informed his mother of his graduation at the head of his class. Confidently, may it be added that to the son's pride was added the mother's joy; that her grief was turned to gladness as she saw of the travail of her soul and was satisfied. For heavenly service she had received a heavenly reward.

A brief period of studies in the law, and he entered upon his profession, at the age of 20 years, under most auspicious conditions—having for his career every qualification of his exacting calling—the combination of learning, of capacity to learn, of nobility of character, forensic capacity, of untiring industry, and the sense of duty in the public service rather than ambition to accumulate riches. Excellence was his motive. He was successful from the outset.

I must be content, in order to comport with the demands of this occasion, to say that he shortly attained a widely recognized primacy at the bar, and at length so far achieved that the great John Marshall is reported to have said of him that he would be willing to resign as Chief Justice if he could be assured that Gaston would take his place. Mr. Justice Story rated him one of the four great American lawyers of his time. Chancellor Kent sought his assistance in more than one deep problem. His most competent rival at the bar, George Badger, bore witness that in John Marshall's court Gaston was all in all—that he had never known a judge so to depend on a lawyer as Marshall depended on Gaston.

But it was in the public rather than private life that William Gaston was destined to fulfill his career. At the age of 30 he was speaker of the house of commons, serving as such two terms. At 35 he was a Representative in the Congress, where he served two terms with Webster, Calhoun, and Clay, becoming one of Webster's most cherished associates and his ally in a number of great causes. He was a member of the State senate in 1817, 1818, and 1819. And he served thereafter in the house of commons in 1824, 1827, 1829, and 1831. In 1833 he became associate justice of the supreme court, to serve 11 years, the remainder of his life, with rare distinction. And he served also as a member of our constitutional convention of 1835; altogether, nearly 30 years in the public service, notwithstanding great and exacting duties at the bar.

Nevertheless, he could declare in the presence of the witnesses: I have never sought office—the office sought me.

As a jurist the late Mr. Justice Connor records that the records of our supreme court disclose that in a hundred years Gaston has been overruled in only one instance. What he wrote as law remains the law to this day. His most famous opinion was that in the *State v. Will*—probably the most notable case in all our reports. In this case he broke new ground by declaring the rights of the slaves as against felonious attack by their masters, and delivered from the sentence of death a Negro who, under great

provocation, had slain an overseer in circumstances which the court held could not justify a verdict of murder.

As legislator Gaston was active in four forums—the house of commons, the State senate, the National House of Representatives, and the constitutional convention. He could have been United States Senator, but refused on the ground of duty to the bench. He was a great lawyer and a great lawmaker. But the role of justice was to him the path of duty.

One obtains a measure of Gaston's great powers in debate when he learns that in the Congress, notwithstanding he served only two terms, it is recognized that he unhorsed Henry Clay, the greatest of American legislative leaders, in the debate on the Previous Question, to which he brought against Clay's genius a knowledge of the history of the subject and a cogency of reasoning that were overwhelming, and produced an address that must be included in any list of the classics of the Congress.

Nevertheless, it is clear that Gaston's interest was in his State and that he preferred his law practice with service in our legislature to service in the Congress. For it must be recorded that notwithstanding his well-won prestige in that body and the opportunity it offered for national fame, he voluntarily withdrew from it in 1817, refused to offer for the Senate, and served almost without intermission in the Legislature of North Carolina, until elevated to the supreme court. Perhaps fame had no more power to seduce him than money, although he frankly avowed his ambition for distinction. Surely he delighted in the engagements of his profession, the life at home, the association with his own people, and the service in the legislature. Reaching this decision from his character, one concludes that the voice of duty was the voice that moved him to renounce the national arena for service amongst his own people.

In his first term of his legislative service he drew the act regulating the inheritance of real estate—a system of descents that remains the law with only slight changes. In 1818 he was, as Battle declares, most influential in the establishment of the supreme court—practically in the form in which it exists to this day. For this he is entitled to the epithet—father of the supreme court. And it may be revealed for our Raleigh hearers that to him is due a lasting debt for his efforts to rebuild the capitol at Raleigh, thus doing much to establish our city as the State capital against a very powerful political movement.

He was the great pacificator between our east and west, and the line he drew and the provisions he made for the election of a certain number of senators west of that line and a certain number of representatives east of it, arranging a balance of power between the sections, brought about a great period of peace, and likewise determined in no small degree our politics since. To these services he added an ardent interest in public education and a noble devotion to our university, which he served as trustee 30 years.

Altogether, he was the commanding figure of his time in the legislature of this State, and his power to command rested not upon politics or catering to popular agitation or partisan antipathies. He was a Federalist and the last of the great figures of that party. He was not a man of popular manner or proclivities. He is described by Mr. Creecy as standing in the convention as reserved and aloof—and leading by reason of the sheer force of his excellence. In the heyday of slavery, for example, he did not hesitate to denounce it in unmeasured terms. Fortunate for him he lived in a day when the electorate looked to legislators to do right, to be honest and fearless, and despised the demagogues who sought office by fraudulently sowing discontent and catering to emotional demands. The Absaloms sat at the gate in vain when such as Gaston could so hold the popular confidence that, notwithstanding he did not please the masses with vain promises, he served them capably and with a heart as honest as it was fearless, and a mind that comprehended their problems far better than they.

With such a background it remained for the constitutional convention of 1835 to provide Gaston with the opportunity of his life, the occasion to render one of those services which the generations do not suffer to be forgotten. All that he had learned at his mother's knee, all that Georgetown and Princeton could give, all the noble gifts that he had acquired, all his experience as a lawyer, lawmaker, and jurist were now to serve him and serving him to serve all men forever in the cause of freedom of conscience.

The constitution undergoing revision provided in the thirty-second article:

"No person who shall deny the being of God or the truth of the Protestant religion shall be capable of holding any office or place of trust or profit in the civil department within this State."

The proposition in the convention was to strike out the word "Protestant" and insert the word "Christian."

The issue was the sectarian test of office. The stake was toleration primarily, religious liberty in the last analysis.

The debate had gone against the amendment until Gaston arose. He held the floor 2 days in a great historical argument. When he sat down the issue had been decided, and the battle for toleration had been fought almost single-handed, and it had been won.

Gaston had repeatedly been elected to office notwithstanding this section of the constitution. He was a Catholic, and everyone knew that he was. He was sworn to support and maintain the constitution. It had been his view that the section which appeared to disqualify him was repugnant to the Constitution of the United States and to the Constitution of North Carolina. On this view of the matter he had long ago, after consultation with the most eminent authorities, reached his conclusion, and his argu-

ment left no doubt of its soundness. But he was not content to rest his case on the legalistic basis, however firm. His soul was aflame with the right of conscience and the freedom to worship God.

He avowed his Catholicism without apology. And so far from apologizing for it, he gave to the convention an exposition of the Catholic's relation to his church and the State that to this day leaves nothing to be desired. With all earnestness he drew in definite lines the distinction between his allegiance to his State and his vows to his church. There was, he declared, no conflict. There could be no question of allegiance—the word related wholly to the relationship to the State. There could be, therefore, no point upon the question of allegiance. There was nothing in his religion tending to impair his allegiance to North Carolina; on the other hand, there was much to fortify that allegiance.

No nobler or braver words than Gaston's have been uttered in behalf of the separation of church and state.

He proudly pointed to the policy of toleration under Calvert in Maryland, and with no little force referred to Roger Williams and his policy of religious liberty in Rhode Island. He seems not to have made the distinction between religious toleration and religious liberty, but he left no doubt of his devotion to both. While he made no avowed choice, his argument at its height, as I shall hereafter show, was for religious liberty.

The heart of his great argument is to be found in his exposition of the right of Americans to worship God according to the dictates of their consciences and the lights before them without civil interference, pains, or penalties. In this he was fortified by the Constitution of the United States and the spirit of our Commonwealth and Republic. He had to deal for the most part with prejudices and the spirit of political accommodations, and these he attacked with devastating power.

It is not to be wondered that Gaston's utterance, so effective to present the position of his church and establish the democratic right of representation according to the popular will, is preserved by the Catholic Historical Society. Its usefulness may seem long since to have been expended, since both Catholics and Protestants have for decades agreed upon its truth—the course Gaston advocated being the course approved throughout our land. But as a memorial of a great statesman representing his church in a crucial hour, and as the final argument against religious tests of office, it well deserves preservation for all generations.

I make no apology for prolonging this address to the extent of quoting from Judge Gaston's argument, which I have so unworthily described, sufficiently to convey in his own words some impression of its high character and of the great capacity of the man who conceived it.

Hear him on the freedom of the soul:

"If there be any subject upon which the interference of human power is more forbidden, than upon others, it is on religion. Born of faith—nurtured by hope—invigorated by charity—looking for its rewards in a world beyond the grave—it is of Heaven, heavenly. The evidence upon which it is founded, and the sanctions by which it is upheld, are addressed solely to the understanding and the purified affections. Even He, from whom cometh every pure and perfect gift, and to whom religion is directed as its author, its end, and its exceedingly great reward, imposes no coercion upon His children. * * * He causes His sun to shine, alike on the believer and the unbeliever, and His dews to fertilize equally the soil of the orthodox and the heretic. No earthly gains or temporal privations are to influence their judgment here. * * * But civil rulers thrust themselves in and become God's avengers. Under a pretended zeal for the honor of His house, and the propagation of His revelation,

"Snatch from His hand the balance and the rod;
Rejudge His justice—are the God of God."

Let us not be deceived. These words are not as out of date as I just now appeared to suggest. They are needed in this age, as well as in Gaston's. There are dictatorships of recent origin that proscribe religion, that describe our religion as "the opiate of the people", that seek to destroy Christianity, that persecute a great race both on account of race and religion; millions on our continent are today deprived of religious liberty; and there are forces operating even in our land which, given the power, would in the name of communism deny to our people the consolation of the cross and the hope of eternal life.

And now on the separation of church and state:

"The alliance between king and church, or between state and church, by which the latter has been taken into the keeping of the civil power, has sprung not so much from a zeal for religion, not so much even from bigotry or fanaticism, as from the crooked policy of tyrannical men. A law-church is a convenient instrument for rulers, whether with or without religion. It enlarges their dominion by extending it over the minds of their subjects. It puts at their disposal the high places in the church and enlists in their service its ministers and teachers. It makes kings and princes and magistrates the heads of God's spiritual kingdom, and renders it sacrilege as well as treason to resist their sway. Thus has the religion of peace and brotherly love been held up as the pretext for tyranny and persecution, and its holy name been desecrated to purposes of plunder and outrage."

Hear his tribute to Roger Williams:

"The next example of religious freedom, secured in the original and fundamental institutions of a state, was given to the world by the great and amiable Roger Williams, the founder of Rhode Island, and one of the most distinguished ornaments of the

Religious Society of the Baptists. This extraordinary man, at the age of 30, had matured a doctrine which secures to him imperishable fame. A fugitive from religious persecution in England, 'he had resolved in the capacious recesses of his mind the nature of intolerance—and he, and he alone, had arrived at the great principle which is its only effectual remedy. He announced his discovery under the simple proposition of the sanctity of conscience. 'The civil magistrate should restrain crime, but never control opinion—should punish guilt, but never violate the freedom of the soul' (1 Bancroft's History, 398). 'In the unwavering assertion of his views he never changed his position; the sanctity of conscience was the great tenet, which, with all its consequences, he defended as he first trod the shores of New England; and in his extreme old age it was the last pulsation of his heart. But it placed the young emigrant in direct opposition to the whole system upon which Massachusetts was founded, and gentle and forgiving as was his temper, prompt as he was to concede everything which honesty permitted, he always asserted his belief with temperate firmness and unbending benevolence' (Ditto, 399). It was impossible that with these fixed principles of enlarged liberality he should not often have come in opposition to the fierce doctrines which then obtained. The persecuted Pilgrims of Massachusetts were such zealous lovers of civil and religious freedom that they would fain keep it all to themselves. They could not abandon the idea of punishing heresy as a crime against the state, and of upholding God's law by human force. 'Magistrates were selected exclusively from members of the church. With equal propriety, reasoned Williams, might a doctor of physic or a pilot be selected according to his skill in theology and his standing in the church.' It was objected to him that his principles subverted all good government.

"The commander of the vessel of State, replied Williams, may maintain order on board the ship and see that it pursues its course steadily, even though the dissenters of the crew are not compelled to attend the public prayers of their companions. But the controversy finally turned on the question of 'the rights and duties of magistrates' (thereby meaning civil rulers) to guard the minds of the people against corruption, and to punish what would seem to them heresy. Magistrates, Williams asserted, are but the agents of the people or their trustees, on whom no spiritual power in matters of religion can be conferred, since conscience belongs to the individual, and is not the property of the body politic; and with admirable dialectics, clothing the great truth in its boldest form, he asserted, that 'the civil magistrate may not intermeddle even to stop a church from apostasy and heresy', and that 'equal protection should be extended to every sect and every form of worship.' With corresponding distinctness, he foresaw the influence of his principles upon society. 'The removal of the yoke of soul oppression', to use the words in which, at a later day, he confirmed his early views, 'as it will prove an act of mercy and righteousness to the enslaved nations, so it is of binding force to engage the whole and every interest and conscience to preserve the common liberty and peace.' (Ditto, 401.) Compelled to fly, because of these obnoxious opinions, in winter snow, and stormy weather, for 14 weeks, not knowing what bread or bed did mean, often without fire, food, or companion, often without a guide and with no shelter but a hollow tree, he at length found a safe refuge and kind treatment among the Narragansett Indians. From them he purchased an extensive territory, and there founded the Commonwealth of Rhode Island, wherein the will of the majority was to govern in all civil things, and God alone respected as the ruler of conscience."

And now on the Catholic as citizen:

"The Catholics in this State are very few, and those who have had no opportunity of knowing them personally, and have learned their tenets only through the medium of their enemies, cannot be much blamed for crediting the most ridiculous falsehoods. It has been asked whether the allegiance of Catholics to the Pope be spiritual only, and the learned gentleman from Halifax has unquestionably shown that they do not owe him civil allegiance. Sir, I object in toto to the term 'allegiance', as characterizing the connection between the Catholic and the chief bishop of his church. I owe no allegiance to any man or set of men on earth, save only to the State of North Carolina, and so far as she has parted with her sovereignty, to the United States of America. The charge that Catholics owe allegiance to the Pope is wholly false. Spread over the whole earth—speaking different tongues, subjects or citizens of different governments, beings of different races and complexions—they are connected by a spiritual tie, the tie of one and the same faith, which constitutes them one spiritual family or church. For the regulation of this widespread church, an ecclesiastical or spiritual government is indispensable. This is mainly confided to the bishops of the several dioceses and of these, the first in rank and jurisdiction is the Bishop of Rome. To him, subject to well-defined laws and well-ascertained usage, is committed the chief administration. To him, and to them, and to every spiritual or ecclesiastical teacher, acting within his proper sphere, respect and obedience are due. But no man owes to him or them, or any of them, the duty implied by the term 'allegiance'; the obligation of personal fidelity, the obligation of defense, as an equivalent for the benefit of protection.

"His authority, their authority, is spiritual only—has no connection with civil duties—and is enforced only by spiritual censures.

"He has not, and they have not, any more right to interfere with a man's obligation to his country or his fellow men than

civil rulers have to interfere with a man's spiritual concerns. Catholics peremptorily deny that the church has any temporal power or any right to interpose in the regulations of government, and hold themselves bound to resist, even unto death, as tyrannical usurpation, all attempts at such interference."

On the Catholic and freedom:

"But it has been objected that the Catholic religion is unfavorable to freedom—nay, even incompatible with republican institutions. Ingenious speculations on such matters are worth little, and prove still less. Let me ask who obtained the great charter of English freedom but the Catholic prelates and barons at Runnymede? The oldest, the purest democracy on earth is the little Catholic Republic of San Marino, not a day's journey from Rome. It has existed now for 1,400 years, and is so jealous of arbitrary power that the executive authority is divided between two Governors, who are elected every 3 months. Was William Tell, the founder of Swiss liberty, a Royalist? Are the Catholics of the Swiss Cantons in love with tyranny? Are the Irish Catholics friends to passive obedience and nonresistance? Was Lafayette, Pulaski, or Kosciusko a foe to civil freedom? Was Charles Carroll of Carrollton, unwilling to jeopard fortune in the cause of liberty?"

And now on the duty of public men:

"But gentlemen declare themselves afraid, alarmed, lest they should give a shock to prejudice, and this is spoken of as if it were some dreadful and appalling calamity. Suppose they should; what is the mighty mischief? It may impose upon them necessity, if they wish to stand well with their neighbors, to explain the reasons by which they have been influenced, and to prove the propriety of their course. This is some inconvenience, indeed, but surely no one expects that the way of duty is to be always smooth and pleasant, a mere primrose path of dalliance. It is possible, however, that the inconvenience may be greater than this. They may not be able to convince all their constituents that the decision was right. Such may be the ignorance, or prejudice, or excitement at home that it will not immediately yield to reason. And has it come to this?

"Is all our boasted patriotism an empty name? Is a public man to risk nothing for the public good? Shall he model himself after Mr. By-Ends, of Fair-Speech, in the Pilgrim's Progress? This distinguished personage was desirous to accompany Christian and Faithful in their pilgrimage to the Celestial City, but then he made it a rule 'never to sail against wind or tide' and always 'had the luck to jump in judgment with the present state of the times, whatever it might be.'

"I am humbled—I almost despair of my country—when I find honorable men clothed with the holy trust of passing in judgment on the things which make for the lasting freedom, honor, and happiness of this people hesitating to do right—looking over their shoulders—fearing that they may run counter to a partial or temporary excitement at home, and thus yield a petty advantage to some miserable factious demagogue in the contest for popular favor. It would seem as if the tenure of office had become a species of privileged villainage—public trust to be held only on the render of base services. Favor is not worth having, if it is to be propitiated or secured upon these terms."

I cannot conclude without a brief reference to Gaston's great address to the students at our university—an address treating of the proper course and conduct which becomes those who would do well in life—I commend it to every young man and woman. I quote:

On the demagogue:

"Honestly seek to serve your country, for it is glorious to advance the good of your fellow men, and thus, as far as feeble mortals may, act up to the great example of Him in whose image and likeness you are made. Seek also, by all honest arts, to win their confidence, but beware how you prefer their favor to their service. The high road of service is indeed laborious, exposed to the rain and sun, the heat and dust; while the bypath of favor has, apparently, at first, much the same direction, and is bordered with flowers and sheltered by trees, 'cooled with fountains and murmuring with waterfalls.' No wonder, then, that like the son of Abensina, in Johnston's beautiful apologue, the young adventurer is tempted to try the happy experiment of 'uniting pleasure with business, and gaining the rewards of diligence without suffering its fatigues.' But once entered upon, the path of favor, though found to decline more and more from its first direction, is pursued through all its deviations, till at length even the thought of return to the road of service is utterly abandoned. To court the fondness of the people is found or supposed to be easier than to merit their approbation. Meanly ambitious of public trust, without the virtues to deserve it; intent on personal distinction, and having forgotten the ends for which alone it is worth possessing, the miserable being, concentrated all in self, learns to pander to every vulgar prejudice, to advocate every popular error, to chime in with every dominant party, to fawn, flatter, and deceive, and become a demagogue. All manliness of principle has been lost in this long course of meanness; he dare not use his temporary popularity for any purposes of public good, in which there may be a hazard of forfeiting it; and the very eminence to which he is exalted renders but more conspicuous his servility and degradation. However clear the conviction of his judgment, however strong the admonitions of his, as yet, not thoroughly stifled conscience, not these, not the law of God, nor the rule of right, nor the public good, but the caprice of his constituents, must be his only guide. Having risen by artifice, and conscious of no worth to support him, he is in hourly dread of being supplanted in the favor of the deluded multitude by

some more cunning deceiver. And such, sooner or later, is sure to be his fate. At some unlucky moment, when he bears his blushing honors thick upon him—and well may such honors blush—he is jerked from his elevation by some more dextrous demagogue, and falls, unpitied, never to rise again."

And finally on our country and the Constitution:

"If it must be so, let parties and party men continue to quarrel with little or no regard to the public good. They may mystify themselves and others with disputations on political economy, proving the most opposite doctrines to their own satisfaction, and perhaps to the conviction of no one else on earth. They may deserve reprobation for their selfishness, their violence, their errors, or their wickedness. They may do our country much harm. They may retard its growth, destroy its harmony, impair its character, render its institutions unstable, pervert the public mind, and deprave the public morals. These are indeed evils, and sore evils; but the principle of life remains and will yet struggle with assured success over these temporary maladies. Still we are great, glorious, united, and free; still we have a name that is revered abroad and loved at home—a name which is a tower of strength to us against foreign wrong and a bond of internal union and harmony—a name which no enemy pronounces but with respect and which no citizen hears but with a throb of exultation. Still we have that blessed Constitution which, with all its pretended defects and all its alleged violations, has conferred more benefit on man than ever yet flowed from any other human institution—which has established justice, insured domestic tranquillity, provided for the common defense, promoted the general welfare, and which, under God, if we be true to ourselves, will insure the blessings of liberty to us and to our posterity. Surely such a country and such a Constitution have claims upon you, my friends, which cannot be disregarded. I entreat and adjure you, then, by all that is near and dear to you on earth, by all the obligations of patriotism, by the memory of your fathers who fell in the great and glorious struggle, for the sake of your sons whom you would not have to blush for your degeneracy, by all your proud recollections of the past and all your fond anticipations of the future renown of our Nation, preserve that country, to uphold that Constitution. Resolve that they shall not be lost while in your keeping, and may God Almighty strengthen you to fulfill that vow!"

Lest the hearer suspect that I have overrated my subject, let me quote the estimate of him by Mr. R. D. W. Connor, late professor of history in our university, now the National Archivist, as follows:

"Though now half forgotten, in his own day Gaston was one of the most eminent of American statesmen and jurists. Probably no other American who had so brief a public career ever enjoyed among his contemporaries such an extraordinary wide and favorable reputation for statesmanship and legal learning. Aside from a few terms in the State legislature his career as an officeholder began and ended with two terms in Congress and 11 years on the Supreme Court of North Carolina. Two-thirds of his adult life was spent as a country lawyer in private practice. Yet during those years jurists and party leaders in every section of the Union laid their problems before him and begged for light. Story and Kent consulted him on knotty questions of law; Webster and Marshall on grave constitutional problems. A Senatorship, a Cabinet position, were his for the acceptance; and in 1834 the son of Alexander Hamilton urged him to come to the rescue of the Hamiltonian conception of the Union by running for the Whig nomination in opposition to Webster and Clay for the Presidential choice. To all these calls he turned a deaf ear in order to devote himself to the administration of justice on the supreme court of his native State."

In the year 1842—7 years after his greatest utterance—while yet serving as associate justice, and in the full flower of a life maintained upon the noblest level, within and without, William Gaston passed from the earthly scene which he had long adorned and from the presence of the generation which he had so nobly served. He had lived 64 years; he had wrought full half a century, for he began early in building his character and his intellectual capacity. Notwithstanding death came suddenly, his lamp was trimmed and burning. Without intimation of his end, it overtook him even as he testified to his faith in God. Had he known of its approach, it would not have been otherwise—save for dear thoughts of the mother who gave him life and faith and instructions, of friends and comrades in the beautiful and triumphant pilgrimage through the years of hours and faculties of which he had dutifully made the most, of unwavering fidelity to his church, of a humble trust in his Redeemer, which had increased even as his powers of intellect and his fame had increased, and of a happy assurance that he would live beyond the grave here in minds made better by his presence, and eternally in the blest abode of all the children of God.

He had borne witness in rare degree that man is made in the image of God, is but little lower than the angels, and by His grace we may be counted worthy to be called the sons of God.

THE AGRICULTURAL SITUATION—ADDRESS BY SENATOR BANKHEAD

Mr. BYRNES. Mr. President, I ask permission to have printed in the RECORD a radio address delivered by the junior Senator from Alabama [Mr. BANKHEAD] January 14, 1936, on the agricultural situation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The decision in the Triple A case directly touches the firesides of more families than any other decision ever rendered by the Supreme Court.

Two cases involving the doctrine of States' rights, the Dred Scott decision and the Hoosac Mills case, will stand out in the history of legal jurisprudence as of paramount importance in human, social, and economic values. The Dred Scott decision led to the War between the States, with all of its devastating and horrible consequences. The Triple A decision strikes down, at least temporarily, a program which has carried financial relief and buoyant hope into the homes of millions of farmers, displacing discontent, despair, and desperation.

The ground upon which the Court elected to base its holding that Congress had no power to spend money to provide for the welfare of agriculture, if it means what it says, is more far-reaching than has yet been fully grasped by the American people. The Court held that while Congress had the power to tax and spend for the national welfare, that it could not do so in aid of agriculture through contracts with farmers, because that would invade the reserved rights of the States. The Court held that the condition of agriculture could not be a situation of national concern, but was one involving only local conditions, regardless of widespread similarity of such local conditions.

That is the same as saying that one's body covered with small-pox pits is affected with widespread local conditions, but that no general condition of the person is involved. It is truly disturbing to most thoughtful citizens, regardless of their views about the wisdom of the Triple A law, to know that our highest court has written into the lawbooks the flat that Congress has no power to tax and spend for agriculture as a subject affecting the national welfare, and that as the regulation of agricultural production covers only local conditions the exclusive power to deal with it is reserved to 48 separate States. It holds, however, that industrial plants, located within the States, may be aided by tariff taxes under the commerce clause of the Constitution. In short, while agriculture cannot be aided under the general-welfare clause because it is composed of separate local units, industry, though composed of separate local units, does not, like agriculture, fall under the States' rights doctrine.

Representatives of the people and true supporters of the Constitution have sufficient ingenuity, courage, and patriotism to find a way to give a reasonable and just application of the letter and spirit of the Constitution to the end that the welfare of millions of farmers who produce the food and clothing for all the people of our country may be treated as affecting the national welfare.

Before the controversy can be finally settled, the doctrine of "equal rights to all and special favors to none" should, and will, be given application to agriculture, alongside of industry, finance, and commerce.

Since the deflation of 1921 and the passage of the McCumber-Fordney Tariff Act, the farmers have been knocking at the door of Congress for relief. Congress passed the "equalization" bill at the insistence of farmers' organizations. Mr. Coolidge vetoed it as unconstitutional.

Following a promise to Senator BORAH, Mr. Hoover called Congress in special session to increase tariffs on farm commodities. Industrialists swarmed down on Washington and took charge of the bill. It emerged with ineffective tariff rates on farm products, but with such highly effective rates on manufactured products that the Smoot-Hawley Act brought on a world-wide tariff war. The result was that the farmers lost the major part of their foreign markets. Instead of getting relief under that act, the farmers got more distress.

The first ray of hope given the farmers of the Nation was contained in the Agricultural Adjustment Act.

If I had the power to portray a true picture of the misery, the physical wants, the mental anguish, and soul despair in the average farm home during 1930, 1931, and 1932, and all the time progressively growing worse, I could not have any satisfaction in doing so. The recollections are too horrible to revive in a vivid way.

After nearly 3 years of administration of the Triple A, we find a different story, especially with producers of basic agricultural commodities and with the city people in the agricultural areas. With a few exceptions, farm prices have not yet reached parity—fair exchange prices with industrial commodity prices; a fair exchange between the products of the labor of those on the farm and the labor of workers in the mills, factories, and other industrial plants.

The total received by the average cotton farmer for his entire crop, a year's work, during the dark days of the depression was about \$200. The average income of the cotton farmer has been more than doubled. Paltry though the increased income may be at best, it spells the difference between poverty and destitution and loss of homes on one side, and, on the other side, encouragement to labor on—not as mere "hewers of wood and drawers of water" but in a spirit of manly pride, conscious that they are free-born, independent, patriotic American citizens, carrying on the work of their pioneer ancestors, proud of their blood, devoted to their families, ambitious for their children, faithful to their churches, friendly with their neighbors, and a hospitable host to any decent stranger.

Last week the farmers, though not free from troubles, felt that they were on a safe road, which would lead them out of the wilderness of debt and despair. They looked to the future with a new hope and a new feeling of security. There had come to most of them a new outlook and a splendid satisfaction that at

last their Government had recognized that agriculture, after carrying for generations the load of industrial development by buying at tax-protected prices and selling at world market prices, would henceforth be granted compensatory benefits.

Two coordinate branches of the Government, the legislative and executive, both elected by the people, approved this new balanced program in our country's economic system. The Supreme Court has refused to give its approval. The farmers grieve and look to the leaders to find a substitute for a plan condemned by the Supreme Court, that will be as good or better than the one just rejected.

Consumers in the industrial and commercial areas are rejoicing because they look for a reduction in the cost of food. Looking at immediate savings, they overlook other results of equal or greater importance. They decline to appraise the interdependence of agriculture, industry, and commerce. They forget that the purchasing power of more than half the people of the Nation is based directly upon the earning and spending power of the farmers. They totally ignore the relationship between industrial, commercial, and financial operations, and the purchasing and debt-paying power of the trade area into which business sends its capital and the products of the mills and factories of the industrial sections.

If agriculture is forced back to the conditions which prevailed before the Triple A became a law, it is certain that there will also be a return to the same conditions that then prevailed in the industrial and commercial sections.

The waybills of four railroads operating in the South show that the first year after the farm program went into effect shipments of industrial and manufactured goods originating in the 16 North-eastern States increased 39 percent. It is common knowledge that since that time the increase has been much larger. New registration of automobiles increased by 38 percent in 1934 over 1933 on farms and in towns of less than 10,000. Since that time the percentage is much higher. The farmers' money has been flowing to the industrial centers and increasing pay rolls, to the advantage of city consumers of farm products.

Protective-tariff advocates have persistently urged the farmers to support protection on the ground that, notwithstanding prices of things bought by the farmers would be higher, the farmer would be benefited in a compensating way through the increased purchasing power of industrial workers to buy farm products.

Is it fair now for buyers of farm commodities in industrial and commercial centers to insist that the benefits flowing to them from tariff taxes should be retained and that the benefits flowing to the farmers from processing taxes should be abandoned? Processing taxes increase the cost of rice, flour, hog products, and cotton textiles. Protective tariffs increase the cost of practically everything the farmer buys.

More than half of the money paid out for food goes, not to the farmers, but to individuals and firms engaged in transporting, handling, processing, storing, financing, selling, and delivering that food.

In 1932 the average retail value of bread made from 1 bushel of wheat was \$4.24. The farmer got only 39 cents of it, or less than one-tenth of the money consumers were paying out for their bread. In 1935 the retail value of the same amount of bread was \$5.17, an increase of 93 cents. Of that increase the farmers got 47 cents, or only slightly more than half. City workers got the balance.

Since the Supreme Court decision there have been a few reductions, but for the most part processors and distributors have hastened to tell consumers that they cannot expect big price drops, because the cost of raw material is really only a very minor part of the retail price.

If the Government aids industrial groups and sections, through tariff taxes, thereby increasing prices of their products for the benefit of those groups or sections, who can sincerely and honestly say that it is not fair to also give agricultural groups and sections the benefits of a processing tax on wheat, hogs, and cotton and rice, although the costs of those agricultural products are thereby correspondingly increased?

If Federal machinery for aiding farmers to collectively adjust their supply to reasonably fit consumptive demands is not provided, and if excessive production again reduces the agricultural areas to distressing living conditions, the city consumers who are now rejoicing at the Supreme Court decision will find factories slowing down, retail sales diminishing, bank deposits decreasing, salaries and wages reduced, and unemployment increased.

Few things could be more unfortunate than a resistance, by city consumers of agricultural products, to a program intended to promote in a reasonable way the welfare of 6,500,000 farm families and all the town and city people in the agricultural sections of our country. Such a division of the people will have in many domains of activity unwholesome and unhappy reactions and results.

Critics of this administration have denounced the "plow under" of cotton and pigs and refer to reduction in acreage planted to other crops as a "plow under" performance. You hear nothing from the same critics about the "plow under" production-control activities of industry, the scarcity doctrine, under which industry plowed into the streets 16,000,000 men and created far more scarcity of output than the farmers ever thought of doing. Who started the plowing-under practice? Under what administration did an agency of Government advise the farmers to plow under every third row? Under what administration were 19 battleships, costing \$277,695,994.34, plowed under the sea?

What is Congress going to do? I feel that I can say with assurance that it will do whatever it can do to hold the gains made by the farmers. We must conform new legislation to the decision of the Supreme Court. It is believed by the friends of the farmers in Congress that a new program can be devised that will enable the farmers, if their spirit of cooperation is sufficiently strong, to avoid price-ruining surpluses, and while doing so to receive the aid of rental or benefit payments.

The time element is very important, especially to the cotton farmers. Their situation is worse than the wheat, tobacco, and hog producers. When this year's crop comes in the market, a carry-over of 8,500,000 bales will be in the warehouse. A new crop of 14,500,000 bales (and it may be 18,000,000) would provide a supply of 23,000,000 bales for a world consumption of 12,000,000. There must be action and quick action to prevent such a disaster. Let me assure the people in the Cotton Belt that their leaders here are working day and night to produce the most effective plan that can be devised under existing judicial limitation. Good progress has been made, and the work will be pursued with tireless effort. A bill will be on its way through Congress in a few days. The prices of other basic commodities will not immediately go much lower. That is due to reduction in surpluses—the adjustment of supply.

When the 1936 crops come to market without aid from the Government in acreage adjustments, surpluses will again pile up, and prices will go down. More work, more expense, and less income. Hog producers may not receive the blow until 1937, but it will jolt them at that time. The refusal by the Supreme Court to pass on the constitutionality of the Bankhead Cotton Act leaves that act in full force and effect. The operation of that act should deter noncooperating farmers from planning for large increases in cotton planting. If it serves the purpose of staying plans and steadying conditions until a new Triple A law can be enacted, carrying the usual benefit payments conditioned upon a proper balanced production on farms, there will be demonstrated full justification for the passage of the Bankhead Act, and its continuance by an overwhelming vote of the cotton producers.

THE PHILADELPHIA NAVY YARD—ADDRESS BY REAR ADMIRAL WATTS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Rear Admiral W. C. Watts, commandant of the League Island Navy Yard, given at the Rotary Club of Philadelphia, November 18, 1935. It was my privilege to be a guest speaker in company with Rear Admiral Ernest J. King, Chief of the Bureau of Aeronautics, at the time Admiral Watts gave this address. It shows in a clear and comprehensive manner the contribution the Navy is making to the civic life of eastern Pennsylvania, Delaware, and New Jersey, and to the development of aviation through the medium of the Naval Aircraft Factory. This speech has been read by Commander J. A. Saunders, aide to the Naval Committee, and Senator from Florida (Mr. TRAMMELL), chairman, and they concur with me in the opinion that the discourse of Admiral Watts will be of interest to members of the Naval Affairs and Appropriations Committees.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, distinguished guests, and Rotarians of Philadelphia, when I was asked to address you on this naval aviation night sponsored by your club, I was told that my subject should be the Relationship of the Philadelphia Navy Yard to the City of Philadelphia, and I realized at once that I would consequently have to ask your indulgence in departing for a time from the aviation theme of the evening. It is true that the navy yard does include the naval aircraft factory as one of its most important units, about which more later, but I hope I may be excused if I touch also, in handling the subject assigned me on some topics having no relationship to aviation. In any event, my old friend Admiral King has so admirably treated a most vital and interesting feature of naval aviation and the next speaker will so delight us all, I am sure, on another specially important phase of the matter, that there is not much left for a representative of the navy yard here to contribute on the subject.

I take it that you are all more or less familiar in a general way with your navy yard, as you really should be as good citizens, and I do not want to embark on a complete description of it or to bore you with too many facts and figures in discussing its relationship with your great city. To set out to explain how this relationship is a very close one also seems unnecessary to me, for it must be obvious that any very large and complicated establishment, employing thousands of your citizens, must constitute a real part of the life of the community in which it is located. That such is true in the case of the navy yard is emphasized by the fact that at present there are employed within its 1,000-acre area a total of about 7,700 regular civilian employees, the vast majority of whom are citizens of Philadelphia. The monthly pay roll of these men and women is about \$1,100,000, and I am sure the significance of this figure is apparent to you businessmen of Philadelphia.

There are now under construction at the yard two 10,000-ton cruisers, two destroyers, and four large sea-going Coast Guard cutters, this program representing a total expenditure in the yard of about \$34,500,000. Work will soon start on another destroyer, the construction of which was recently assigned to this yard. When this work load reaches its peak about next spring it is expected that about 1,400 more men will be employed, but thereafter, unless additional work is assigned to the yard, it will be necessary to discharge large numbers of men. The yard has already initiated efforts to procure additional work, particularly the construction of the battleship which it is rumored may be included in next year's program, but I wish now to point out how important this matter also is to Philadelphia if a serious increase in its unemployed and a marked reduction in the spending power of the navy yard are to be avoided. The wisdom of active interest in this matter on the part of the rotary club and similar organizations in this city is clearly indicated.

While on the subject of unemployment, it is a pleasure to inform you of the considerable part in its relief that is being taken by the navy yard in a direct manner. We have, from the start in 1931, been very active in obtaining approval for numerous projects under first certain emergency legislation of the previous administration, and then under N. R. A., C. W. A., L. W. D., and finally now under W. P. A. and P. W. A., and at present there are employed in the yard on W. P. A. projects more than 3,100 persons obtained from the State employment office in Philadelphia, these being additional to the regular yard force above mentioned, and being employed on work particularly well adapted to existing policies and contributing greatly to improved efficiency in the yard. Since February 1931 funds have been allotted for unemployed relief projects in the naval establishments in Philadelphia in an aggregate amount of \$10,400,000, of which \$3,335,000 was assigned from the last appropriation of Congress for emergency relief. Our relations with the relief authorities, both of the State and of the city, have been most cordial, and we have received numerous compliments regarding the manner in which our relief projects were initiated and are being handled. The first men in Pennsylvania who were put to work under the new program last summer found relief from their distress in employment on navy-yard projects successfully pushed through to early authorization. I feel strongly that no more suitable employment could be found for these men than in this work of improving the facilities of a navy yard, and the results to us are of tremendous value.

Also the very considerable amount of new buildings being erected in the yard, particularly at the aircraft factory, by local contractors, has furnished employment on these P. W. A. projects to what now is a total of about 345 men additional to all those previously mentioned. So I hope you will feel that the yard is serving a useful purpose also in the relief of unemployment, surely a phase of its relationship to Philadelphia which appeals to us all in these critical times.

It should be remembered that workmen in nearly every mechanical trade are required in a navy yard such as the one in Philadelphia, the only yard to include an aircraft factory and a boiler laboratory, in which latter considerable service is rendered to commercial concerns by conducting highly scientific tests for them. Thus it serves as a great training institution for industry, and it has been possible to maintain the apprentice training school, a system that has had to be abandoned because of its cost by many commercial concerns in the recent hard times. Young men in this way are given an excellent opportunity with pay to receive technical and general education, and to qualify for rating in one of the many trades needed in the yard. The Philadelphia Board of Education recognizes the value of this system for young men of this community and supplies a teacher who devotes his full time to the instruction of the apprentices, a service that I am glad to have this opportunity of acknowledging with our great appreciation. Unfortunately the number who seek appointment to this school is far greater now than the quota of about 30 annually which we are authorized to accept. When a competitive examination for such appointments was recently held by the Civil Service Commission, through which agency all our regular force must be obtained, there were over 6,500 applicants, and I only wish we could take many more of them.

Philadelphia and the Delaware River has always been a great shipbuilding center from the very earliest days when William Penn gave the first impetus in that direction in 1683 by ordering the building of a small seagoing ship, the *Amity*, for the Free Society of Traders. The Philadelphia Navy Yard, now officially classified as primarily a building yard, earnestly strives to live up to the high traditions of ship construction of which this region may be so justly proud. We owe very much to the excellent labor market, particularly in shipbuilding trades, which has thus been built up in this vicinity, and we trust that we may always be able to serve it well.

The navy yard is also fortunate that it is situated in the very heart of the manufacturing center of the United States, facilitating greatly the expeditious procurement of all the immense amount of material and articles required to maintain a well-equipped ship and aircraft building and repair plant, and to meet the needs of the fleet. In addition to purchases made by the Navy Department in this vicinity, local purchases by the supply department of this navy yard average about \$3,000,000 per annum, an item of no mean importance to business interests here. To give an idea of the extent of the business side of the yard, there were received by the supply officer during the past year material

and equipment costing over \$15,000,000, and his issues in those 12 months amounted in value to even more than this sum. The value of his stock in hand is usually about \$26,500,000, and all these figures do not include the business of the aircraft factory, which is also very considerable, as noted later.

This being naval aviation night for this club, I want to allude particularly to this naval aircraft factory in our navy yard, which plays an important part in the general scheme for the administration of naval aviation. The factory is organized as a separate department of the yard and, through the commandant, is controlled largely by the Bureau of Aeronautics of the Navy Department, whose distinguished Chief you have had the pleasure of hearing this evening. It has its own manager and its own supply department, and is located in its own distinct area of the yard, occupying the entire eastern end of League Island. It employs about 1,400 men and women, with a pay roll of about \$220,000 per month, these figures being included in those already given for the yard as a whole. The total cost of operating the factory is about \$4,000,000 per year, which is its contribution to Philadelphia's economic life blood. Its supply department received articles in the past year costing about \$12,000,000, and its annual issues exceeded that sum by a million and a quarter dollars. The value of its stock on hand is about \$10,000,000.

The naval aircraft factory has a varied mission. It is a central depot for the service of supply, where purchase and distribution to ships and operating stations of practically all naval aeronautical supplies are centralized. It is a central repair base, for both the Navy and the Coast Guard, and a manufacturing unit for airplanes and engines, and serves as an experimental station for all types of aeronautical test and research. It is equipped with highly developed laboratories for research and testing of aeronautical engines and structures, and for many operating and flight problems. Its flight activities require an extensive modern flying field and beach. Mustin Field, while not a commercial operating field, does serve as a very useful terminus for Federal and State planes, and makes an ideal emergency landing lighted field directly on the Camden-Washington Airway.

Besides its contribution to Philadelphia's economic life, the aircraft factory, being a Government-owned institution, not operated for profit, can and does maintain the highest standards of design and workmanship in the aeronautical art. These standards of design and workmanship, determined and maintained, and the findings of its laboratories available, except in confidential matters, to the entire aviation industry, together with the trained personnel in both professional and mechanical callings which the factory constantly turns out into that industry, are invaluable contributions toward attaining practical and safe commercial and military aviation.

There are other important departments of the yard about which I would like to speak, but lack of time forbids anything but the briefest mention. The medical department, which renders medical services to the civilian employees, including W. P. A. workers, who unfortunately sometimes sustain injuries in the yard; the disbursing department, which pays all wages and salaries to civil and naval personnel and pays the bills of the yard, a monthly disbursement in all of about \$1,750,000; the marine barracks and the receiving station, which are the military branches of the yard; the two large schools for young officers, the marine basic school and the naval finance and supply school—all these have their important share also in the relationship of the yard to the city.

Then, too, many think of the navy yard as the only naval unit in Philadelphia, but there are numerous others of great importance to a well-rounded naval organization and that in some cases have specially close relations with the local community, as, for example, the fine new naval hospital, where 250 veterans from this area are hospitalized, and the hydrographic office, which is of such great value to the maritime interests of the port (naval home). The naval inspection services in Philadelphia have constant contacts with many local manufacturing concerns. The marine depot of supplies employs many civilians, as does the naval ammunition depot at Fort Mifflin, and Navy and Marine recruiting offices are available here for enlisting into the regular services as many of the vast number of applicants as their regulations permit. Though the naval air station at Lakehurst has no very direct relationship to Philadelphia, it also is a unit of the fourth naval district, of which also I have the honor of being commandant, and it plays such an important part in naval aviation as the center of airship training and experiment that I cannot refrain from at least mentioning it for that reason.

All these varied naval activities in the vicinity of Philadelphia have made a considerable impression, I believe, on the consciousness of the community, and I am happy in paying a tribute tonight to the very hearty support they all receive from the municipal authorities and business interests of the city. While I feel that their presence here does contribute very materially to the welfare and prosperity of Philadelphia, we in our turn are very grateful for what the community and its government does for us in many ways. I think it may be said that Philadelphia, particularly as regards its officials and its institutions and organizations, is an unusually navy-minded city. I can speak from my own experience of the past year and a half in saying that I have had nothing but the most whole-hearted support, interest, and sympathy from all to whom I have turned for assistance in matters that frequently arise affecting both the yard and the city. Likewise, the many hospitalities and courtesies that have been extended to the Navy, both those of us stationed here and those who have come here in ships

of the fleet, on the part of the city government and many of the clubs, societies, and organizations in Philadelphia, have been conspicuous and most highly appreciated.

As I took occasion to point out in another public address, Philadelphians are most unusually hospitable and kind to anyone in the Navy who comes here with any previous association with them, and I reiterate this fact now with the greatest possible emphasis, particularly as this tribute to Philadelphians was omitted from the newspaper accounts of my former address.

There are at present about 385 active-list officers of the Navy, commissioned and warrant, who are on duty at the navy yard or in Philadelphia, of whom about 140 are attending special schools in the yard or taking special postgraduate courses in educational institutions of the city. About 120 of these are quartered in the navy yard or at Fort Mifflin, though they spend much of their off-duty time uptown, but all the remainder, about 265, together with about 120 retired officers, of whom the vast majority are married, live in Philadelphia or its immediate vicinity.

This, of course, represents an almost negligible portion of the population of this great city, but from our point of view it is quite a large Navy community to be domiciled in any one locality. I mention the figures primarily, however, to show that there are considerable opportunities for contacts on the part of Philadelphians with officers of the Navy, who always welcome opportunities to fraternize and discuss affairs of mutual interest with any civilian friends with whom they may be able to make acquaintance. There are many such contacts now, I am happy to say, but the more they can be developed among those of the service who come here as strangers, the more intimate still will become the relationship between the Navy and the city, a result of mutual benefit to both, I feel sure.

The number of enlisted men of the Navy and Marine Corps permanently stationed in Philadelphia is rather small, about 700 in all, of whom 570 are marines, the largest single unit being at the marine barracks at the navy yard, composed of about 320 men, many of whom are attending special schools at the marine barracks and supply depot. Relatively few of these enlisted men are married, and the great majority consequently live in the yard. They are treated finely in Philadelphia and seem to make friends quickly, so that duty here is sought by many of them. At times, when crews for new ships are being assembled at the receiving barracks, there are many more enlisted men of the Navy here, and the experience in Philadelphia of these transients becomes more of a problem, as is true in the case of the crews of visiting ships. Officers of the Navy are most deeply interested in the welfare of their men, and I am always specially pleased when entertainment of any sort for the enlisted men is arranged, as has on occasions been so splendidly managed here in Philadelphia.

Another point of contact with men deeply interested in the Naval Establishment is offered by the large number of naval and marine reservists in this area. In addition to the two battalions of Naval Reserves, one in Philadelphia and one in Camden, the two Marine Corps Reserve battalions and the reserve aviation squadron, there is a great number of men here enrolled in the voluntary reserve, for all the many specialized branches of the Navy. All of these men are showing high patriotism, which is most commendable, and they and the organizations which they represent are deserving of your fullest support. I would be very remiss if not paying this tribute to this fine group of citizens of this vicinity.

It is true, also, that the naval personnel stationed in and about Philadelphia is but a small portion of the whole Navy, but nevertheless it does represent the Navy and, small though it is, it stands ready, as the Navy always and everywhere does, to be of such service to the city as it can in any emergency or calamity in which the employment of Federal force might become necessary or helpful. God forbid that such a situation may ever arise in Philadelphia, but, if it unhappily should, the representation of the Navy here can be counted on, I assure you, to live up to the best traditions of its service, so often demonstrated elsewhere under such conditions.

The very fact that the navy yard and its naval personnel are symbols of a great branch of the national defense brings out what I feel should be the most important feature in their relationship to the city of Philadelphia. If their presence here can serve to stimulate patriotic inspiration and to arouse interest among our citizens in their Navy, much good to our Nation will result. The Navy is largely dependent for its development on the attitude of public opinion toward it. Such attitude is much more apt to be favorable if the public is thoroughly familiar with the Navy, or some part of it, and acquires an interest in it and its needs and problems through direct contact with its representatives.

Philadelphians are more and more conscious all the time that a great navy yard is located nearby. Last Navy Day the unprecedented number of 93,600 visitors, by actual count, came to the navy yard, which is indeed a most gratifying proof of their interest in seeing what was arranged specially for that day. It stimulates us greatly and improves the morale of both naval and civilian personnel to feel that the public is interested in our work. If only the yard could become so well known that its interests and welfare would be a subject of frequent thought and discussion in the civilian community here, then, indeed, our relationship with Philadelphia would redound still further to the welfare of our Navy and our Nation. I know that so powerful an organization as this Rotary Club can be of great assistance in arousing such interest, and I submit such an effort to you as a fine, patriotic undertaking, a purpose for your fellowship in service, which I feel will appeal to so fine a representation of loyal Americans.

In conclusion, let me express my great pleasure in being with you all this evening and in having the privilege of addressing you. We all appreciate greatly the compliment shown to the Navy by your dedication of this occasion to a naval subject. I thank you sincerely for all this and for your attention, and you have my very best wishes for the continued success and welfare of the Rotary Club of Philadelphia.

THE MERCHANT MARINE—REPORT OF T. W. VAN METRE

MR. COPELAND. Mr. President, the American Merchant Marine Conference at New York City, November 18-19, 1935, appointed an expert to give some consideration to the question of the American merchant marine. Prof. T. W. Van Metre, professor of transportation of Columbia University, prepared a report on the subject. The report is brief but very illuminating. I ask that it be printed in the Record.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Accordingly, T. W. Van Metre, professor of transportation, Columbia University, was engaged for this purpose. In presenting Professor Van Metre's findings herewith the committee wishes to express its sincere appreciation for his valuable services in preparing this final draft.

I. MERCHANT MARINE POLICY

The United States is a great commercial nation possessing a water-borne foreign and domestic trade greater in volume and in value than that of any other country in the world. It should have a merchant marine adequate to the needs of that commerce, a merchant marine which will not only protect that commerce and promote its normal expansion in times of peace, but which will preserve that commerce in time of war; and should this country become involved in war, a merchant marine which can be employed for national defense as an auxiliary of the Navy. The ships of this merchant marine should be built in American shipyards and they should be manned by American crews.

It is impossible to establish an arbitrary figure as to the desirable size of the merchant marine, but it does not seem unreasonable to hold that it should ultimately be sufficiently large to carry at least one-half the water-borne foreign trade of the country. This does not mean that half the Nation's export and import trade on all ocean routes with which the trade passes should necessarily be carried in American ships. On some routes, especially those to nearby countries which have little or no merchant shipping, the proportion carried in American vessels should be greater than one-half, while in other routes it seems reasonable to suppose that for many years to come at any rate, the proportion will be less.

At the present time the proportion of American foreign trade carried in American ships is considerably less than one-half. In all of the country's important trade routes there are reasonable prospects for a healthy growth of American shipping, and on several routes there is a genuine desire and need for ships which are larger, faster, and better equipped than those at present in use. The steady revival of foreign trade now in progress should make possible the expansion of the American shipping industry. The operation of ships superior in type and speed to those now employed will serve to stimulate trade.

If the United States is to have a merchant marine adequate to the needs of its commerce and suitable for use as a means of national defense, one fact must be accepted. Government aid is indispensable. The cost of construction of ships in foreign shipyards is much less than the cost in American yards, and the cost of operating ships under foreign flags is less than the cost of operating under the American flag. It is impossible for American ships to compete wholly upon a commercial basis with foreign vessels. Without Government aid American shipping now engaged in foreign trade would soon wither away, the American flag would virtually disappear from the high seas, and the merchant marine would soon revert to the conditions which prevailed before the World War.

Whatever plan of aid is employed, it should be, as nearly as possible, of a permanent character. A policy, based upon careful study of all facts and upon past experience should be adopted, and once adopted, it should be firmly adhered to. It is only under such a policy, wisely and carefully administered, that needed ships can be built and replacements and additions made as they become necessary. In other words, if permanence of the merchant marine is to be secured, there must be permanence of national policy.

In the determination of the general character of the merchant-marine policy the first question to be decided is whether governmental aid shall take the form of complete government ownership and operation of shipping or of private ownership and operation with a Government subsidy. Between those alternatives there should be no question as to the proper choice. Not only is Government ownership and operation contrary to American tradition and practice, but the lesson of experience is that its results have been highly unsatisfactory. The American merchant marine should be privately owned and privately operated.

II. FORMS OF GOVERNMENT AID

At the present time the operators of various American ship lines receive Government aid in the form of mail subventions paid in pursuance of contractual agreements with the Postmaster General. While this method of Government aid has been helpful in restoring and in encouraging the further development of the shipping

industry, the opinion is general that it would be well to replace it by a system of direct subsidies—subsidies for both the construction and the operation of ships engaged in foreign trade. Should Congress decide to discontinue mail subventions and in their place give direct subsidies, it should be clearly understood that the lines now possessing mail contracts should be adequately protected in the rights acquired under their contracts. The contracts were entered into in good faith, and they should be scrupulously adhered to until their expiration in all those cases in which it is impossible to make an adjustment satisfactory to the contract lines.

The construction subsidy should equal the difference between the cost of foreign and American construction. Various ways have been suggested as to how this subsidy should be paid. One suggested method is that the Government contract for the ships, pay for them, and sell them to the operators at the price determined by the cost of construction in foreign yards. A more preferable method, however, would be for the American operator to contract with the shipbuilder, the Government contributing a sum equal to the difference between foreign and domestic cost. There are distinct advantages to be derived from the supervision and direction of the process of construction by the operator himself. Contracts for construction should be let as the result of competitive bidding, and since the Government has a definite financial interest there should be no objection to the supervision of the bidding by proper governmental authority.

The present construction loan fund should be continued at least for a few years. It is to be hoped that eventually the merchant shipping business of the United States will be established upon a basis strong and substantial enough to make it attractive to the investing public. Until this comes to pass, however, Government aid in financing the operator's share of the cost of construction seems to be essential. This loan fund should be available to the builders of ships for the coastwise trade as well as for ships engaged in foreign trade.

It should be the policy of the shipping industry to keep the merchant marine up-to-date. Obsolete vessels should be scrapped and suitable vessels built to replace them.

It has been suggested that a considerable saving in the cost of ship construction would be effected by adopting quantity production to a limited extent—that is, by constructing duplicate vessels. Unquestionably if it were possible to use standardized ships there would be a saving in construction costs. Experience seems to indicate, however, that the possibilities of standardization are not great because of the widely varying requirements of vessels traversing different routes and employed in different trades. Where a saving in cost is manifestly possible this method of construction should be adopted.

The operating subsidy granted to American ships in foreign trade should be such as to bring about equality between the American operator and his foreign competitor. The chief differences between their costs are the plainly visible items in the cost of ship operation, such as wages, supplies, equipment, insurance, repairs, and administrative expenses. There may also be differences arising from advantages possessed by the foreign operator in the form of subsidies, subventions, or some form of governmental aid or preference. None of these differences of cost are permanently the same. They fluctuate because of changes in prices, changes in wage rates, and occasionally because of aberrations of currency. The frequency with which changes may occur indicates that there should be some degree of flexibility with respect to the payment of the operating subsidy, adjustments being made wherever warranted by changed conditions.

The operating subsidy should be a matter of contract between the operator and the Government. The time of this contract should be as nearly possible the life expectancy of the ship for the operation of which the subsidy is to be paid.

III. ADMINISTRATION AND REGULATION

The success of a merchant-marine policy such as outlined above will depend in a very large measure upon the manner of its administration by the Government. The work for administering the law should not be given to any existing executive department or bureau, but to a new and independent commission or "maritime authority", such as provided for in the bill now under consideration by Congress. This authority should devote its undivided time to giving effect to the Nation's merchant-marine policy.

Replies received indicated a preference that some of the members of the authority be men who have had actual experience in some branch of the shipping industry. While it is probably too much to expect, under any system of government, that appointments to be made without regard to political affiliation, yet nothing could be worse than to have appointments a matter of political regard and favor. The merchant marine problem is not a matter of politics, and under no circumstance should it be permitted to become so.

What is more important than place of residence, politics, and perhaps even experience, is that the members of the authority be honest and impartial, and, above all, possessed with a thorough and a sympathetic understanding of the purpose of the law they are to administer. For, let it be said again, the ultimate success of any merchant-marine policy which may be adopted will depend chiefly upon its administration.

While the most important function of the proposed maritime authority will be the administration of the ship-subsidy legislation, it will also have other duties to perform.

The chief question which has arisen with regard to other possible duties of the proposed authority concerns the matter of shipping

regulation: Shall the authority have regulative as well as administrative duties? Shall the regulatory functions now exercised by the Shipping Board Bureau, and such other regulative authority over shipping as may be needful, be given to this body?

The preponderance of opinion among shipping interests is in favor of giving the duties connected with shipping regulation to a maritime authority. The most valid objection to such a course arises from the fact that the administrative duties of the authority will have to do chiefly with shipping engaged in foreign trade, while such regulation as there may be will apply for the most part to vessels engaged in domestic commerce. It has been proposed that the duty of giving effect to legislation for the regulation of shipping be given to the Interstate Commerce Commission, which regulates transportation by rail and by highway. Some ship operators favor this course, but the majority are distinctly opposed to the regulation of shipping by the Interstate Commerce Commission. Should such regulation be entrusted to the maritime authority or to some other body, some provision should be made for the coordination of the work of the separate regulatory bodies to the end that harmonious policies would prevail, under which all forms of transportation would receive the recognition due to their importance and their peculiar characteristics.

It is in connection with the promoting of the development of a merchant marine that the maritime authority will find its real opportunity for noteworthy achievement. With regard to this function its authority should be broad in scope, and it should not be hampered by a too precise and meticulous definition of its powers.

Inevitably the authority must have an intimate relationship with those shipping companies that are the recipients of Government aid in the form of loans and subsidies. It should therefore have power to exercise supervision in the accounting practices of those companies even to the extent of requiring a reasonable degree of uniformity. The regulation of accounting practice need not be so extensive nor so detailed as that applied to railroads. The unsound practice of establishing a limit upon profits or of recapturing any portion of profits should by no means be adopted, though there would seem to be no valid objection to a requirement that profits above a stipulated amount should be applied to the extinction of Government loans.

IV. THE PROBLEM OF COMPETITION

There is no business in which competition is greater than in the business of shipping engaged in foreign commerce. It is a field which is open to all people of all nations.

As in other types of business enterprise in which a large proportion of the costs is fixed, and independent of the volume of business actually done, this competition, if subjected to no discipline or control, inevitably becomes destructive to the point of demoralization and ruin of the business. In recognition of this fact the Government has permitted American shipping companies to participate in steamship "conferences", having as their purposes not the elimination of all competition but the elimination of those competitive methods and practices usually designed as "cutthroat competition", the indulgence in which leads to irreparable loss and eventually to financial disaster. The practice of keeping competition within reasonable bounds by participating in conferences should be permitted to continue, and if possible it should be further developed by joint action of Government and steamship operators.

The effectiveness of conferences depends upon their stability and their permanence. Since the usefulness and value of conferences have been admitted, the steamship operators should be permitted to employ the best means known to secure their continuing stability. It seems unreasonable to permit the operators to organize a conference and then deprive them of the instruments for making the conference effective. Not only should they be enabled to establish a greater degree of solidarity among conference members but they should be placed in a position to secure the support and patronage of shippers. To this end the practice of granting deferred rebates to shippers should be legalized.

V. CONCLUSION

During the last 15 years the shipping legislation which Congress has enacted has been distinctly helpful. The Jones Act of 1920 and the Jones-White Act of 1928 indicate a desire on the part of the Government to bring about the creation and the maintenance of a merchant marine adequate to the needs of American commerce. Experience under these laws has been valuable in indicating what should be the nature of a permanent merchant-marine policy. It is a hopeful and encouraging sign that Congress evinces a willingness to enact the legislation necessary to give effect to a policy which, under wise and prudent administration, will lead to the development of a merchant marine such as the United States should possess.

The current revival of foreign commerce indicates a brighter picture for the merchant marine. Shipping depends for its employment upon commerce. As commerce grows the shipping industry becomes more thriving and prosperous. The negotiation of reciprocal-trade agreements with foreign countries under which without detriment to American industries the exports and the imports of the United States may be increased is favored by the shipping industry.

The shipping industry of the United States gives employment directly to more than 200,000 persons and indirectly to many thousands more. All of the money which the Government may appropriate for subsidies in the shipping industry is used in the employment of American labor and in the purchase of goods pro-

duced by American labor. With reasonable stimulation and aid the shipping industry will become an important factor in the restoration of economic prosperity.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The VICE PRESIDENT. The morning business is closed.

Mr. HARRISON. Mr. President, I desire to make a brief statement, to which I invite the attention of the Senator from Oregon [Mr. McNARY].

I was very anxious to have taken up and considered this morning House bill 9870, providing for the payment of adjusted-service certificates. The Senator from Oregon spoke to me and expressed a desire that the bill go over until tomorrow.

I appreciate the fact that some special orders have been entered into with regard to the session of today. I do not desire to inconvenience any Senator, nor to press the bill if certain Senators desire to read the report, and so forth. I ask the Senator from Oregon whether there is any objection to taking up the so-called "bonus" bill today for consideration.

Mr. McNARY. Mr. President, there has been an unbroken practice, which I have followed, of objecting to the consideration of any bill until it has lain over a day under the rule. By virtue of the unanimous-consent agreement entered into on Monday, I think probably that rule has been violated; but, in all fairness to the Members of this body, I think the bill should lie over in order that an opportunity may be had to read the report. Therefore, I shall object to the consideration of the bill today, as I should in the case of any other bill.

Mr. HARRISON. I may say to the Senator that I have no doubt the committee has complied with the rules with reference to filing the report on the bill. Not only has that been done, but we have rushed the Government Printing Office in order that the members of the Finance Committee might receive on yesterday afternoon copies of a hearing of a confidential nature and a report on the bill. So I think we have complied with the rules. Since the Senator feels as he does, however, would he object to entering into a unanimous-consent agreement that we may take up this measure immediately after the convening of the Senate at 12 o'clock noon tomorrow?

Mr. McNARY. Mr. President, I stated specifically and definitely my objection to the consideration of the bill today, as I would in the case of any other bill that might come up under the same circumstances. I have no objection to a speedy consideration of the bill. So far as I am personally concerned, I am willing to take it up at any time after today; but I insist that it shall not come before the Senate today.

Mr. HARRISON. Mr. President, I desire to submit a unanimous-consent request. Before doing so I hope the Senator from Arkansas [Mr. ROBINSON], the Democratic leader, will ask that the Senate take a recess at the conclusion of today's session, instead of adjourning, so that we may begin the consideration of House bill 9870 at 12 o'clock tomorrow, immediately upon the convening of the Senate, if that will meet his wishes.

Mr. ROBINSON. Mr. President, I have no objection to entering into the arrangement suggested by the Senator from Mississippi. Does he wish the request at this time?

Mr. McNARY. Let me suggest to the Senator from Mississippi that he first propound his unanimous-consent request. Failing in that, he may propose action of the kind he has indicated.

Mr. ROBINSON. I think that would be the better course.

Mr. HARRISON. I ask unanimous consent that on the convening of the Senate tomorrow, if it shall recess, the Senate shall immediately proceed to the consideration of House bill 9870; that if the Senate shall adjourn, it shall proceed to the consideration of the bill immediately after the expiration of the morning hour.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON subsequently said: Mr. President, I ask unanimous consent that when the Senate concludes its business today it take a recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER (Mr. HOLT in the chair). Is there objection? The Chair hears none, and it is so ordered.

THE CALENDAR

The VICE PRESIDENT. Under the special order, the calendar will be called for the consideration of unobjected bills.

USURY IN THE DISTRICT—RECOMMITTAL

The first business on the calendar was the bill (S. 396) to amend section 1180 of the Code of Laws for the District of Columbia with respect to usury.

Mr. ROBINSON. Mr. President, this bill has been pending on the calendar for a long time. I think it should be either considered or recommitted.

Mr. KING. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. KING. Another bill has been introduced in lieu of Senate bill 396, and I have no objection to its being recommitted.

Mr. ROBINSON. I ask unanimous consent that the bill be recommitted to the Committee on the District of Columbia.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS, ETC., PASSED OVER

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, Thirty-fifth Statutes 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. MCGILL. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. MCKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. ROBINSON. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The resolution will be passed over.

REGULATION OF SMALL LOANS IN THE DISTRICT

The Senate resumed the consideration of the bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913.

The VICE PRESIDENT. This bill has been heretofore considered by the Senate, and the amendments reported by the committee have been agreed to. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.,

DEFINITIONS

SECTION 1. (a) "Lender", as used in this act, is any individual, copartnership, firm, association, or corporation engaged in the District of Columbia in the business of lending money upon which interest, fees, and charges totaling more than 6 percent per annum upon the unpaid principal balances of such loan are paid or charged, whether with or without security of any kind, direct or collateral, tangible or intangible, except national banks, licensed bankers, credit unions established under the act approved June 23, 1932 (47 Stat. 326, c. 272, sec. 1), and under the act approved June 26, 1934 (48 Stat. 1216, c. 750), trust companies, savings banks, building and loan associations, or real-estate brokers, as defined in chapter 4, title 20, of the Code of the District of Columbia, and pawnbrokers. Pawnbrokers are those who lend money upon physical security and keep possession of such security during the period of the loan: *Provided*, That any of the above-excepted national banks, licensed bankers, trust companies, and savings banks may operate under the provisions of this act upon securing a license so to do.

(b) "Procurer", as used in this act, is any individual, copartnership, firm, association, or corporation engaged in the

District of Columbia in the business of procuring or securing money or its equivalent for another when said person, copartnership, firm, association, or corporation is paid anything of value for the procurement of said money or its equivalent.

(c) "Person", within the meaning of this act, includes individuals, firms, partnerships, associations, and corporations.

(d) "Superintendent", as used in this act, means the Superintendent of Insurance for the District of Columbia.

(e) For definitions of "interest", "charges", and "fees", see section 12.

SEC. 2. Every lender shall obtain a license for doing business and it shall be unlawful to engage in any such business without procuring such license. A procurer shall be deemed to be and treated as the agent of the lender in all matters relating to the loan.

SEC. 3. Each license granted under the terms of this act shall date from the 1st day of November in each year and shall expire on the 31st day of the October following, unless prior thereto it be suspended, revoked, or surrendered as hereinafter provided.

SEC. 4. Applications for licenses under this act shall be made under oath to the Superintendent upon forms furnished by him, and every such application, in addition to such other information as may be required by the Superintendent, shall specify by name the person to whom the license is to be granted, and in case the applicant is a firm, partnership, or association the names of all persons comprising said firm, partnership, or association shall be given, and in case the applicant is a corporation the names of all the officers and directors and the place of incorporation of such corporation shall be given. If any change in the personnel of a firm, partnership, association, or corporation shall thereafter occur, the licensee shall forthwith notify the Superintendent of such change.

Upon the expiration of each license the licensee may apply, in the same manner and form as aforesaid, for a renewal thereof.

The Superintendent shall investigate every application, either for an original license or for any renewal thereof, and shall either approve or reject it.

SEC. 5. Upon the filing of an application for a license, if the Superintendent shall find the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a firm, partnership, or association, and of the officers and directors thereof if the applicant be a corporation, such as to warrant the belief that the business will be operated honestly, efficiently, and in accordance with the provisions and purposes of this act, he shall thereupon approve the application. Upon such approval of the application by the Superintendent the applicant shall—

(a) Pay to the collector of taxes a fee as hereinafter provided in section 6;

(b) Deposit with the auditor for the District a bond as provided in section 7;

(c) Designate in writing the Superintendent as resident agent as provided in section 8.

Thereafter the Superintendent will issue the license as hereinafter provided in section 9.

SEC. 6. Upon approval by the Superintendent of any application, either for an initial license or any renewal thereof, the applicant shall pay to the collector of taxes a fee of \$200: *Provided*, That licenses issued at any time after the beginning of the license year shall date from the 1st day of the month in which the license is issued and end on the last day of the license year above prescribed and payment shall be made of the proportionate amount of the annual fee; but no fee shall be prorated to an amount less than \$50. The Commissioners of the District of Columbia may increase or decrease the above license fee as the cost of supervision, inspection, and regulation may require.

SEC. 7. Upon approval by the Superintendent of any application, either for an original license or any renewal thereof, the applicant shall deposit with the auditor for the District of Columbia a bond in due form in the penal sum of \$2,000 with two or more sureties or duly authorized surety company to be approved by the Commissioners. The bond shall be payable to the District of Columbia and shall be conditioned that the person applying for the license will comply with the provisions of this act and with any regulations promulgated hereunder and shall pay all damages occasioned by reason of any misstatement, misrepresentation, fraud, or deceit, or any unlawful act or omission of any licensed person, made, committed, or omitted in the business conducted under such license, or caused by any other violation of the said act or regulations in carrying on the business for which such license is granted. One or more recoveries upon such bond shall not vitiate the same, but it shall remain in full force and effect: *Provided, however*, That the aggregate amount of all such recoveries shall not exceed the full amount of the bond. Upon the commencement of any action or actions against the surety upon any such bond for a sum or sums aggregating or exceeding the amount of such bond the Superintendent may require a new and additional bond in like amount as the original one, which shall be filed with the auditor for the District within 10 days of the demand thereof. Failure to file such bond within the prescribed time shall constitute cause for the revocation of the license theretofore issued. Any suit or action against the surety on any bond required by the provisions of this section shall be commenced within 1 year from the accruing of the cause of action thereon.

If at any time, in the opinion of the Superintendent, the sureties, or any of them, shall become irresponsible, the person holding such license shall, upon notice from the Superintendent, give a new bond, and failure to give a new bond within 10 days after such

notice shall operate, in the discretion of the Superintendent, as a revocation of such license.

SEC. 8. Upon the approval of an application by the Superintendent, the applicant shall, in writing, appoint the Superintendent the true and lawful attorney of such applicant, upon whom all lawful process in any action or legal proceeding against him (the said applicant) may be served, and therein shall agree that any lawful process against him which may be served upon him or his said attorney, as herein provided, shall be of the same force and validity as if served upon the applicant, and the authority thereof shall continue in force irrevocably so long as any liability of the applicant in the District shall remain outstanding. Such process shall be served by leaving the same with the Superintendent or his deputy, and service thereof upon such attorney shall be deemed service upon the principal. The Superintendent shall forthwith forward such process by mail to the applicant. The deposit by the Superintendent or his deputy of such process sent by registered mail in a sealed envelope, postage prepaid, in the United States mail and service of such process, shall not be effectual until the same has been so mailed and received by the applicant, and registered receipt shall be prima facie evidence of the notice of service to such applicant. Such appointment shall be valid and existing not merely for the 1-year term of the license but until the license of the applicant and the renewals thereof are surrendered, discontinued, or revoked. Such written appointment shall be deposited with the Superintendent.

SEC. 9. Upon approval of an application, and upon receipt of evidence of the payment to the collector of taxes of the required fee, and the deposit with the auditor of the required bond, and the deposit of the appointment of the Superintendent as resident agent, the Superintendent shall issue the license as applied for and approved. Licenses shall be prepared in duplicate, one copy of which shall remain with the Superintendent and one copy shall be transmitted to the applicant. The latter copy shall be printed in conspicuous size and color and shall be impressed with a seal approved by the Commissioners of the District of Columbia. This copy of the license shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable. Such license shall remain in full force and effect until it is surrendered by the licensee or revoked or suspended as hereinafter provided.

SEC. 10. No more than one place of business shall be maintained under one license, but nothing herein contained shall prevent the Superintendent from directing the issuance of more than one license to the same licensee for different places of business upon compliance with all provisions of this act governing an original issuance of a license.

No change in the place of business of the licensee shall be made without the approval of the Superintendent.

SEC. 11. Every licensee shall—

(1) Deliver to the borrower at the time a loan is made a statement upon which there shall be printed in the English language, all in type not smaller than 8 point, (a) a copy of sections 11 (this section), 12, and 21 of this act; (b) in clear and distinct terms the amount of the loan, the date on which it is made, the date of its maturity, the nature of the security, if any, for the loan; (c) the name and address of the borrower or borrowers and of the lender and the procurer (if any); (d) the agreed rate of interest and the charges and fees, showing clearly by items the nature of the charges and fees; and (e) any other information which the Superintendent may require to be so given.

(2) Give the borrower a plain and complete receipt for all payments made on account of any such loan at the time such payments are made, specifying the amount applied to interest or charges and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of such loan.

(3) Permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply such payment first to all interest in full at the agreed rate to the date of such payment, and any charge or fee not previously credited or paid.

(4) Upon payment of the loan, stamp indelibly every obligation signed by the borrower with the word "paid" or "canceled", and release any mortgage, restore any security or pledge, cancel and return any note, and cancel and return any assignment given to the licensee by the borrower.

SEC. 12. (A) "Interest" as used in this act means an amount of money or other thing of value required to be paid as compensation for the loan of money or credit. It includes any and all charges, fees, expenses, demands, discounts, commissions, brokerage, bonuses, including notarial and examination fees, and all other charges of any character made, directly or indirectly, for any purpose by any lender, procurer, appraiser, or any other person in connection with the lending or procuring of money or credit, except the fees hereinafter specified.

The total interest (as above defined) which may be charged or received by a lender, his agents, representatives, officers, and employees (total for all such persons concerned in the loan) in respect to any loan shall not exceed 2 percent per month on the monthly unpaid principal balances of the loan. Interest shall not be compounded. Neither interest nor fees shall be deducted from the principal of the loan.

(B) "Fees" as used in this act means the fees specified in the following schedule.

For the purposes of determining the fees allowable hereunder, loans are divided into three classes and the fees allowable are as follows:

(a) Loans of \$35 or less for a period of 30 days or less without collateral (so-called "character loans"). In these loans a fee not to exceed \$1 (in addition to interest and charges as above defined) may be charged and received for a credit report or investigation, but only if such report or investigation is actually secured or made by the lender or procurer. In these loans a total of 50 cents as interest and other charges (in addition to the \$1 just referred to) may be allowed on each such loan.

(b) Loans of any amount for more than 30 days and loans of more than \$35 for 30 days or less, without collateral (so-called "character loans"). In these loans fees not to exceed \$3 (in addition to interest and charges as above defined) may be charged and received for credit reports or investigations at the rate of \$1 per report or investigation, but only if such reports or investigations are actually secured or made by the lender or procurer. Such credit reports or investigations may concern either the borrower or proposed endorsers.

(c) Loans on collateral. On these loans the following fees may be charged and received:

For the recording of chattel mortgage, not to exceed \$1;
For the examination of titles, not to exceed \$3.

Insurance premiums actually paid for insurance protection of the collateral security where such protection is necessary and does not already exist. The insurance which the borrower may be required to take shall not exceed the amount necessary to protect the total amount of the loan.

(C) No interest or fee of any kind or description, in addition to the foregoing schedule, may be charged or received by any lender, procurer, or any other person in connection with any loan.

Such fees as are allowed under the foregoing schedule may be charged only upon the original loan and may not be charged upon any renewal thereof.

The borrower shall be permitted to repay the full amount of the loan, with the interest, fees, and charges due, at any time, and in the event of such payment shall not be charged interest on the loan beyond the date of the payment. Likewise the borrower shall be permitted to pay in advance of the date specified in the contract of loan one or more installments and in the event of such greater payments no further interest on that amount so paid shall be charged or received.

In cases of loans upon collateral security where the physical property supporting the collateral remains in the possession of the borrower (such as loans upon automobiles or other personal property) and the borrower is in default on the due date and the lender has a right to repossession of the property and does so repossess the property, the lender may charge and receive the actual fees incurred and expended by him in such repossession, but only in the amount so actually expended by him and actually paid by him to some other concern for the services rendered.

Sec. 13. The provisions and restrictions of this act shall be applicable to loans not in excess of \$300, and whenever a licensee under this act shall make any loan in excess of \$300, interest and charges on the said excess shall be governed by other law.

Sec. 14. Every licensed lender shall keep a register approved by the Superintendent in which shall be entered, accurately and truthfully, in the English language—

- (a) The name of every person granted a loan.
- (b) The amount of such loan.
- (c) Interest charged or received, showing both rate and amount.
- (d) Charges, by items, made or received.
- (e) Fees, by items, charged or received.
- (f) Whether the loan was made directly or if at instance of a procurer and the name of such procurer.
- (g) Endorsements, if any.
- (h) Collateral accepted, if any.

Sec. 15. Every licensee shall keep in his place of business such books, accounts, and records as will enable the Superintendent to determine whether such licensee is complying with the provisions of this act and of the regulations hereunder. Each licensee shall preserve such books and records, including cards used in any card system, for at least 2 years after making the final entry on any loan recorded therein.

Every licensee shall, on or before the 1st of each February, file a report with the Superintendent, giving such information as the Superintendent may require concerning the operation of the licensed business during the preceding calendar year. Such report should be made under oath, and upon a form prescribed by the Superintendent, and an analysis and recapitulation of such report shall be published once each year, at a time to be fixed by the Superintendent. The Superintendent may require under oath, and on a form prescribed by him, additional special reports as he may deem necessary for proper supervision of the business of the licensee.

Sec. 16. The Superintendent may, as often as he may determine, personally or by a duly designated agent, investigate the loans and business and examine the books, accounts, records, and files used therein of every licensee, and for that purpose the Superintendent, or his duly designated agent, shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, vaults, or any depositary of all such licensees.

Sec. 17. The Superintendent may forthwith revoke any license issued hereunder if, after investigation and hearing, he finds that—

- (1) The licensee has failed to maintain in effect the bond or bonds required under the provisions of this act; or
- (2) The licensee has failed to comply with any demand, ruling, or requirement of the Superintendent lawfully made hereunder; or
- (3) The licensee has violated any provision of this act or of the regulations hereunder; or

(4) Any fact or condition exists which, if it had existed at the time of the original application for license, would have warranted the Superintendent in refusing to approve the application; or

(5) The licensee has, in respect to the licensed business, committed any act which may be deemed to be contrary to public policy.

The Superintendent may, without notice or hearing, suspend any license for a period not exceeding 20 days, pending investigation.

The Superintendent may revoke or suspend the particular license with respect to which the grounds for revocation or suspension may exist, or, if he shall find that such grounds are of general application to all the places of business operated by such licensee, he may revoke or suspend all the licenses issued to such licensee or such licensees to which the grounds apply, as the case may be.

Whenever the Superintendent shall suspend or revoke any license issued hereunder, he shall forthwith execute in duplicate a written order to that effect, one copy of which shall be forwarded to the licensee, and one copy retained in the office of the Superintendent. Any order of suspension or revocation may be reviewed by the Commissioners upon application duly made to and granted by them. Any such application for review of any action of the Superintendent taken under the provisions of this act shall be made within 30 days from the date of such order of said Superintendent.

Where any license has been revoked, no such licensee shall be entitled to apply for further license for a period of 6 months. Where the revoked license has been issued to a partnership or corporation no member of said copartnership or corporation nor officer or director shall be entitled to apply for a license for a period of 6 months.

The Superintendent may reinstate any suspended licensee or, after the expiration of 6 months, issue new licenses to a licensee whose license or licenses shall have been revoked, if no condition then exists which would warrant the Superintendent in refusing originally to issue such license.

Any licensee may surrender any license by delivering to the Superintendent the licensee's copy of the license and a written notice that he thereby surrenders said license. Such surrender shall not in any way affect any civil or criminal liability for acts committed prior to such surrender.

No revocation, suspension, or surrender of any license shall in any way affect the obligation of any lawful contract between any licensee and any borrower.

Sec. 18. No business for which a license is issued hereunder shall be conducted in any residential district within the District of Columbia.

Sec. 19. No licensee conducting any business permitted by this act shall publish or cause to be published any false or fraudulent or misleading information, representation, notice, or advertisement, nor shall such licensee give any false information, or make any false promises or false statements concerning the lending or procuring of money as provided herein.

Sec. 20. The making of any contract for or relating to the lending or the borrowing of money or credit in which any term, condition, or part thereof, whether relating to principal, interest, charges, fees, or other terms, and whether expressed or implied, verbal or written, is in violation of any provision of this act, or of any part of any provision thereof, is hereby expressly forbidden and prohibited and, if made, such entire contract and every part thereof shall be deemed to be wholly illegal and void as in violation hereof.

Sec. 21. This act is to be construed liberally to effect its intent and purpose. Any subterfuge, device, plan, scheme, or individual act (including among other things the adjustment or arrangement of the period or amount of a loan) designed or used to evade or avoid any of the provisions of this act is hereby prohibited and declared to be in violation hereof. The transferring of loans or the referring of borrowers from one lender to another, upon the suggestion of the lender or his representative, for the purpose or with the effect of avoiding any provision of this act (including particularly those relating to renewals or the maximum amounts of loans), and any agreement, understanding, or practice of lenders for such purpose or with such effect, shall be deemed to be a violation of this act.

Sec. 22. Any person, copartnership, firm, association, or corporation violating any of the provisions of this act or the regulations hereunder, shall, on conviction thereof in the police court of the District of Columbia, be punished by a fine of not more than \$200 or imprisonment for not more than 30 days, or by both such fine and imprisonment, in the discretion of the court.

Sec. 23. Prosecutions for violations of any of the provisions of this act or the regulations hereunder shall be on information in the police court of the District of Columbia by the corporation counsel for the District of Columbia or any of his assistants.

Sec. 24. The Commissioners of the District of Columbia are hereby authorized and empowered to make all rules and regulations necessary in their judgment for the enforcement of this act, and not inconsistent therewith.

Sec. 25. Each section of this act, and every provision of each section, is hereby declared to be an independent section or provision, and the holding of any section or provision of any section to be void, ineffective, or unconstitutional, for any cause whatever, shall not be deemed to affect any other section or provision thereof.

Sec. 26. The act entitled "An act to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building-and-loan associations, and real-

estate brokers in the District of Columbia", approved February 4, 1913, as amended, is hereby repealed insofar as its provisions are inconsistent with the provisions of this act and except insofar as it provides for the regulation of businesses not covered by this act.

Sec. 27. This act shall become effective 90 days after the date of its enactment and shall not affect loans made before the passage of this act which have not matured before the effective date of this act.

Sec. 28. This act may be cited as the "District of Columbia Small Loan Act."

BILLS PASSED OVER

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. ROBINSON. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. VANDENBERG. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

UNITED STATES SUPREME COURT DECISIONS—RECOMMITTAL

The bill (S. 1589) authorizing the purchase of United States Supreme Court Decisions and Digest was announced as next in order.

Mr. KING. Let that go over.

Mr. BURKE. Mr. President, I ask unanimous consent that Senate bill 1589, just reached on the calendar, be recommit-
ted to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered.

INCLUSION OF HOPS AS BASIC AGRICULTURAL COMMODITY

The bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity was announced as next in order.

Mr. DUFFY. Mr. President, would the Senator from Oregon object to having this bill stricken from the calendar?

Mr. McNARY. Mr. President, for obvious reasons, I ask that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS, ETC., PASSED OVER

The joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. SCHWELLENBACH. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking sys-

tem, and creating a Board of Agriculture to supervise the same was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 738) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. ROBINSON. That bill is the unfinished business.

SEVERAL SENATORS. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1975) to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered was announced as next in order.

Mr. NYE. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. COPELAND (and other Senators). Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes, was announced as next in order.

Mr. SMITH. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. COPELAND (and other Senators). Let that go over. The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING and Mr. BULKLEY. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1820) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

REGULATION OF COMMERCE IN FIREARMS

The bill (S. 3) to regulate commerce in firearms was announced as next in order.

Mr. ROBINSON. Mr. President, I think there should be an explanation of this bill. I have not had an opportunity of studying the report. I shall be obliged if the Senator from New York [Mr. COPELAND] will make a brief explanation of the bill.

Mr. COPELAND. Mr. President, the Attorney General has been very insistent on better regulation of commerce in firearms. After due consideration of his proposals and the proposals of the Special Committee on Crime, which investigated the subject, this bill was worked out.

I may say that all these bills were opposed by the American Rifle Association and the American Revolver Association; but there is full agreement as to this particular bill, which simply provides that firearms which are shipped in interstate commerce must be shipped under regulations prescribed by the Secretary of Commerce, and that only those persons who are licensed to ship in interstate commerce or who are given a special permit by the Department of Commerce may ship such arms. The bill has no reference whatever to the possession of firearms. It has to do simply with the transportation of firearms in interstate commerce.

Mr. ROBINSON. I have no objection to the consideration of the bill.

Mr. SMITH. Mr. President, let the bill go over. It is a pretty far-reaching measure, and I wish to have a chance to study it.

Mr. COPELAND. Mr. President, will the Senator from South Carolina withhold his objection for a moment? I know the sincere desire of the Senator from South Carolina not to have any injustice done. I beg of him that he will shortly read the bill to be sure that there is not an infringement of the rights of individuals in the various States.

Mr. SMITH. Mr. President, I have no desire to be captious about it, but I know there is a trend here to restrict trading in firearms, and I prefer to study the principle involved before I give my consent to the consideration of this bill.

Mr. COPELAND. Mr. President, I can quite understand the Senator's attitude; but of course we realize that firearms, particularly small arms, revolvers, are possessed in larger numbers in the United States than anywhere else. Since the war a million or more have been imported from abroad, and they are found in the hands of juvenile delinquents. This bill has no reference whatever to the individual in the State, on the farm, or in the home.

Mr. BARKLEY. Mr. President, I make the point of order that the Senator is not in order.

The PRESIDENT pro tempore. The point of order is sustained. The clerk will call the next order of business on the calendar.

BILLS PASSED OVER

The bill (H. R. 7680) to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

Mr. NYE. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. SMITH. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, was announced as next in order.

Mr. RUSSELL. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT—RECOMMITTAL

The bill (S. 2791) to amend the Longshoremen's and Harbor Workers' Compensation Act was announced as next in order.

Mr. BURKE. Mr. President, I move that this bill be re-committed to the Committee on the Judiciary, as certain amendments are to be offered.

The motion was agreed to.

CLAIMS OF ALTA MELVIN AND TOMMY MELVIN

The bill H. R. 4436, an act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Western District of Washington to hear, determine, and render judgment, as if the United States were suable in tort, upon the claims of Alta Melvin and her son, Tommy Melvin, both of Seattle, Wash., for damages resulting from injuries received by them when the automobile in which they were riding was struck by a United States Army truck from Fort Lawton, Wash., at the intersection of Twenty-eighth Place West and Gilman Avenue in Seattle, Wash., on June 21, 1932.

Sec. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended.

The PRESIDENT pro tempore. Without objection, Calendar No. 1232, being Senate bill 1102, of the same title and to the same purport, will be indefinitely postponed.

BILLS PASSED OVER

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3160) to amend the law relating to residence requirements of applicants for examination before the Civil Service Commission was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

WILLIAM MITCHELL

The bill (S. 2804) to authorize the payment of retired pay to William Mitchell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is hereby authorized to place the name of William Mitchell upon the unlimited list of

retired officers in the United States Army as a colonel and to pay to the said William Mitchell the retired pay that he would be entitled to if now upon the active list of the Army by reason of the distinguished service rendered to his country by the said William Mitchell, who enlisted as a private on May 14, 1898, and advanced through all the grades to the rank of brigadier general and resigned his commission on February 1, 1926.

BILL PASSED OVER

The bill (S. 2134) to prohibit employers from influencing the vote of their employees in national elections was announced as next in order.

Mr. KING. Let that go over, Mr. President, in the absence of explanation.

The PRESIDENT pro tempore. The bill will be passed over.

ESTABLISHMENT OF AIR CORPS TECHNICAL SCHOOL

The bill (S. 3398) to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps was announced as next in order.

The PRESIDENT pro tempore. This bill is the special order and will be passed over.

VACATIONS TO GOVERNMENT EMPLOYEES

The bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, I ask that this bill be recommitted to the Committee on the Civil Service. I do not see the chairman of the committee present, but I am sure that action would meet with his approval.

Mr. COPELAND. Mr. President, as I understand, this bill and the following one have been thoroughly considered by the committee. Everybody interested has had a chance to study the bills, and I am frank to say, with all due courtesy to the Senator from Tennessee, that I believe the majority of the Senate are in favor of the bills. I object, at the moment, to recommitment of the bill.

Mr. McKELLAR. Mr. President, several of the departments, notably the Navy Department, have requested that they be heard in regard to the measure. They have not been heard; and I believe it will probably expedite a hearing on the bill if it be recommitted to the committee. I move that the bill be recommitted.

Mr. ROBINSON. Mr. President, I have to raise the question of order. Under the unanimous-consent agreement under which we are proceeding a motion to recommit is not in order unless the Senate takes up the bill.

Mr. McKELLAR. Mr. President, I withdraw the motion, and object to the consideration of the bill.

The PRESIDENT pro tempore. The bill will be passed over.

SICK LEAVE FOR CIVILIAN EMPLOYEES

The bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ESTATE OF JOHN GELLATLY, DECEASED

The bill (S. 3409) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, was announced as next in order.

Mr. ROBINSON. Mr. President, reserving the right to object, I desire to have the attention of the Senator from New York [Mr. COPELAND], the author of the bill. This measure involves considerations which, I think, were not brought to the notice of the committee, and to which the committee should have an opportunity of giving attention. I ask the Senator from New York if he will consent to a recommitment of the bill to the Committee on Claims, which reported it, in order that the representatives of the Smithsonian Institution and others may be heard on the bill. I myself should like to have an opportunity of appearing. I think it is fair to state to the Senator from New York

that I am opposed to the bill. I feel, in any event, that it should be considered more fully by the committee.

Mr. COPELAND. Mr. President, of course, I wish to accede to the request of the Senator from Arkansas. The surrogate judge in New York City had a very strong conviction that if the property involved were in the possession or within the jurisdiction of the court, he would under no circumstances permit the transfer to the Smithsonian Institution, because it was the property of the widow. However, I have no objection to the recommitment of the bill, with the understanding that at the time of the hearing there shall be a full opportunity for those of us who believe the bill is meritorious to be heard. But since the Smithsonian Institution has a direct monetary interest in this matter, and feels it has not been heard and its case presented, I shall not object to the recommitment of the bill.

The PRESIDENT pro tempore. Without objection, the bill will be recommitted to the Committee on Claims.

AMENDMENT OF PLANT QUARANTINE ACT OF AUGUST 20, 1912

The bill (S. 2983) to amend the Plant Quarantine Act of August 20, 1912, was announced as next in order.

Mr. KING. Mr. President, will not the Senator from Washington explain the purpose of this bill? I make the inquiry for the reason that I received a letter noting some objection to the bill.

Mr. SCHWELLENBACH. Mr. President, this bill makes mandatory the provisions of the old act of 1912 under the terms of which the Secretary of Agriculture was given the discretionary right to prohibit the importation of narcissus and iris bulbs into the country on the ground that they were pest-infested.

In 1923, under the old act, the Secretary put into effect an order which prohibited the importation of these bulbs. From 1923 to 1933 various reports were made by the Department of Agriculture, which are quoted in the report of the committee, showing that it was impossible to inspect these bulbs against infestation. In other words, the insect gets into the middle of the bulb, and in order to find out whether or not a bulb is infested the entire bulb has to be destroyed. The committee has set forth numerous quotations from the Department of Agriculture from 1926, at the time the act went into effect, until 1933, saying that the importation of these bulbs should be prohibited. Despite that record, in 1935 the Department issued an order that commencing December 15, 1936, the regulation would be removed, and that the bulbs could be imported into this country.

The purpose of this bill is simply to put into effect the order which was effective from 1926, and will be effective until December 15, 1936, under the present order of the Department.

Mr. KING. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. KING. It seems to me that where authority is given to the Secretary of Agriculture to issue an order absolutely barring the importation of iris, that would be satisfactory. If, as the Senator states, it is impossible to determine whether or not a bulb is infested, obviously the Secretary of Agriculture has authority under the act to order importations prohibited.

Mr. SCHWELLENBACH. I would agree with the Senator if the record did not disclose the facts as they exist. I say frankly that this bill does not meet with the approval of the Secretary of Agriculture. He takes the position that it is now possible to make these inspections. Against that we submit, in the committee report, a record of over a 10-year period in which they were constantly making the statement, every time the question came up, that it was not possible to protect against this infestation.

In addition to that, the State departments of agriculture of both the States of Oregon and Washington have filed reports setting forth definitely their view that at the present time it is not possible to protect without an absolute barring—that it is not possible to inspect these bulbs.

The bulbs came into a port. In order to inspect them each bulb must be completely opened. After the bulbs reach the fields, if they are not opened, and if there is an insect in them, the infestation spreads, and it is impossible to stop the spread after that time. I say frankly that there is dispute with the Department of Agriculture, but I am basing my argument entirely on a record which the Department of Agriculture made over a period of 10 years, as late as July 20, 1933, when the Chief of the Bureau of Entomology and Plant Quarantine, United States Department of Agriculture, said this:

Classes of plants that we know are likely to bring in pests from specific localities should be definitely excluded.

That statement was made in reference to a request for a ruling upon iris and narcissus bulbs, and it was about such bulbs that he was talking at that particular time. I see no reason for a change of attitude on the part of the Department of Agriculture. There is nothing in the record which supports it. Their own record supports the contrary position. The state departments of both Oregon and Washington say that it is absolutely impossible to control this pest unless these bulbs are absolutely barred.

Mr. RUSSELL. I have received some letters objecting to the passage of this bill. I know nothing whatever of the merits of the measure, but, in view of these letters, until I may have an opportunity to investigate the complaints filed with me, I shall be compelled to request that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6402) for the relief of Julia M. Crowell was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL INDEFINITELY POSTPONED

The bill (S. 3030) granting the consent of Congress to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge and causeway across the Hudson River between a point in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y., was announced as next in order.

Mr. COPELAND. I ask that this particular bill be indefinitely postponed. The question is taken care of in another bill.

The PRESIDENT pro tempore. Without objection, the bill will be indefinitely postponed.

BILLS PASSED OVER

The bill (S. 1645) to provide for the creation of a commission to examine clear height of bridge to be constructed over Hudson River was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1424) to amend the Packers and Stockyards Act of 1921 was announced as next in order.

Mr. CAREY. I ask that the bill be passed over.

Mr. LEWIS. I ask that the bill be passed over so it may be examined a little further. Does the Senator from Kansas [Mr. CAPPER] desire to have it taken up at this time?

Mr. ROBINSON. Mr. President, I make the point of order that objections have been made to the present consideration of the bill, so it goes over automatically.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2820) to amend the Public Works Appropriation Act of 1935 making available not to exceed \$1,000,000

for the alteration of carriages of three thousand two hundred 75-millimeter guns now in storage was announced as next in order.

Mr. COPELAND. I wish to object to the consideration of my own bill. I am not satisfied with the amendments made to it.

The PRESIDENT pro tempore. The bill will be passed over.

EXTENSION OF PUBLIC-SCHOOL BUILDINGS, NORTH DAKOTA

The Senate proceeded to consider the bill (S. 3093) to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the words "authorized to be", to strike out "expended, from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933" and to insert in lieu thereof "appropriated, from any moneys in the Treasury not otherwise appropriated"; and on page 2, line 7, after the word "school", to strike out "district, subject to such further conditions as may be prescribed by the Secretary of the Interior" and to insert in lieu thereof "district: *Provided further*, That this appropriation shall be reimbursed in not more than 30 years, without interest, either through reducing the annual Federal tuition payments for the education of Indian pupils attending such school, by the acceptance of Indian pupils in such school without cost to the United States, or in such other manner as the Secretary of the Interior may direct: *And provided further*, That plans and specifications shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, work shall proceed under the direction of local or State officials, payment therefor to be made monthly on the basis of work in place and upon vouchers approved by a responsible official of the Indian Service", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of \$30,000 for the purpose of cooperating with Sanish District No. 1, Mountrail County, N. Dak., for extension and improvement of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district: *Provided further*, That this appropriation shall be reimbursed in not more than 30 years, without interest, either through reducing the annual Federal tuition payments for the education of Indian pupils attending such school, by the acceptance of Indian pupils in such school without cost to the United States, or in such other manner as the Secretary of the Interior may direct: *And provided further*, That plans and specifications shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, work shall proceed under the direction of local or State officials, payment therefor to be made monthly on the basis of work in place and upon vouchers approved by a responsible official of the Indian Service.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

GRAIN FUTURES ACT

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. LEWIS. Mr. President, I move that House bill 6772 be recommitted to the Committee on Agriculture as there

are many features of the bill to be considered and it ought not to be acted upon by the Senate at this time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Illinois that the bill be recommitted to the Committee on Agriculture.

Mr. McNARY. I object.

The PRESIDENT pro tempore. Objection is made to the recommitment of the bill. Is there objection to the present consideration of the bill?

Mr. ROBINSON. Mr. President, I understood there was objection. The Senator from Illinois moved that the bill be recommitted. That was objected to. The bill is just about to pass. If the Senator does not desire it to be considered, he will have to make objection.

Mr. SMITH. Mr. President, under the circumstances, of course I shall ask that the bill be passed over. However, I understand from the highest administrative sources that recommendation has been made that this bill be recommitted for ironing out certain provisions which ought not to be in the bill. At the proper time I, as chairman of the Committee on Agriculture and Forestry, will move that the bill be recommitted.

I now ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

RESEARCH AND EXPERIMENT STATION, SALT LAKE CITY

The bill (S. 2424) to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah, was announced as next in order.

Mr. McNARY. Mr. President, I think there should be an explanation of that bill by its author.

Mr. KING. Mr. President, the Senator from Oregon and other Senators are aware of the fact that in Pittsburgh, for instance, there is a station which is devoted to the examination of coals and their byproducts. The station is maintained by the Government. It is very valuable because of the scientific information that is thus obtained and disseminated throughout the United States. In the West there is no such station dealing with the iron ores and metallic reserves of that great region.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2424) to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah, which had been reported from the Committee on Mines and Mining, with amendments, on page 1, line 5, before the word "research", to insert "central", and in line 10, after the word "substances", to strike out "(including coal, oil, gas, and the hydrocarbons)", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to establish and maintain in Salt Lake City, Utah, under the Bureau of Mines, a research and experiment station, the province and duty of which shall be to handle, and to disseminate information concerning, major problems of basic interest arising in connection with (1) inquiries and investigations into the mining, preparation, treatment, and utilization of ores and other mineral substances; and (2) the improving of conditions in the mining, quarrying, metallurgical, and other mineral industries; safeguarding life among employees; preventing unnecessary waste of resources; and other matters contributing to the advancement of these industries.

Sec. 2. The present experiment station of the Bureau of Mines at Salt Lake City, together with all its powers and duties, official records and papers, property, personnel, and appropriations made or allocated for its use, shall be transferred to the station established under the provisions of section 1.

Sec. 3. For the purposes of this act there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000 for the fiscal year ending June 30, 1936, and there is hereby authorized to be appropriated the sum of \$50,000 for each fiscal year thereafter.

Sec. 4. The Secretary of the Interior is authorized, in his discretion, to cooperate with the State of Utah in carrying out the provisions of this act and for such purpose to accept lands, buildings, or other contributions from said State.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the establishment and maintenance of a research and experiment station of the Bureau of Mines at Salt Lake City, Utah."

INVESTIGATION OF PRODUCTION COST OF PULPWOOD

The resolution (S. Res. 195) directing the Tariff Commission to investigate the production costs of wood pulp or pulpwood was considered and agreed to, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Wood pulp or pulpwood.

Mr. ROBINSON subsequently said: I ask unanimous consent that Senate Resolution 195, which was just agreed to, be reconsidered, with a view to investigating the question. I recall that the resolution was adopted once before, and I should like to refresh my memory regarding it.

The PRESIDENT pro tempore. Is there objection?

Mr. McNARY. Mr. President, I note the absence of the Senator from Idaho [Mr. BORAH]. Will not the Senator from Arkansas wait until the Senator from Idaho comes into the Senate Chamber before he makes his request?

Mr. ROBINSON. I am compelled to leave the Chamber at 2 o'clock, so I make the request now, and if it is objected to I shall give notice of a motion to reconsider. In view of the procedure we are following—the resolution was just agreed to by unanimous consent—I could have objected; but my attention was diverted at the moment the resolution was taken up and adopted.

Mr. McNARY. Mr. President, what is the calendar number of the resolution?

Mr. ROBINSON. It is Calendar No. 1499, a resolution directing the Tariff Commission to investigate the production costs of wood pulp or pulpwood. I recall that this resolution was agreed to on a previous occasion, and that, upon the statement I made, the Senator from Idaho consented to a reconsideration of the resolution.

I ask unanimous consent that the vote by which the resolution was agreed to be reconsidered.

Mr. McNARY. For the purpose of further consideration of the resolution?

Mr. ROBINSON. To restore it to its place on the calendar.

Mr. McNARY. Is the request made in order that opportunity be given for further investigation of the purposes of the resolution?

Mr. ROBINSON. Yes; and to take it up in a more orderly way when it can be discussed.

The PRESIDENT pro tempore. Without objection, the vote by which Senate Resolution 195 was agreed to is reconsidered, and the resolution is restored to the calendar.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA

The bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of this bill. The amount involved is very large.

Mr. LOGAN. I call the attention of the Senator from Utah to the fact that the Seventy-third Congress, after consideration, passed the same bill that we now have before us. Then at the previous session of the present Congress the Senate again passed the bill. When it went over to the House, the House had a separate bill on the same subject providing for the same relief. The House passed its bill, which increased the amount some two or three hundred thousand dollars, as I recall. When the bill came back to the Senate and was referred to the Committee on Claims, the Committee on Claims adhered to its previous findings and offered an amendment reducing the amount to conform to the action which the Senate had heretofore taken. If the amendment shall be adopted and the bill shall be passed, it may have to go to conference.

Mr. KING. May I inquire whether the State Department or the War Department or Navy Department—and I assume

that perhaps one or the other of the latter departments has some interest in this matter—has recommended the passage of the bill?

Mr. LOGAN. As I recall, the State Department has considered it heretofore. May I say to the Senator from Utah that there has never been any controversy, so far as I know, about the justice of the claim. The amount is large. The corporation was taken over, as the Senator may recall, by a war board created during the war; shoes were turned over to it and sold and distributed through the agents of the war board, and by reason of the order of President Wilson it was not possible for them to collect this money. The Senate committee held lengthy hearings upon the question and we reduced the amount to what we thought was a fair amount. The House has increased the amount, and we have taken the same position as was taken by the Senate committee heretofore, that the lesser amount should be adopted.

Mr. KING. I withdraw the objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "\$968,748.12" and to insert in lieu thereof "\$658,050", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, out of any money in the Treasury not otherwise appropriated, the sum of \$658,050 in full settlement of all claims against the Government of the United States for losses sustained by the said International Manufacturers' Sales Corporation of America, Inc., during the years 1918 and 1919, while engaged, at the invitation of the United States Government, in furnishing articles of necessity to the Siberian population of Russia under and in pursuance to the plan formulated by the War Trade Board in the fall of the year 1918 for extending economic aid to the Siberian population of Russia, said losses having been incurred through the inability of the said International Manufacturers' Sales Co. of America, Inc., to exchange the Russian rubles received from the sales of said articles of prime necessity into American dollars because of the regulation issued by the Federal Reserve Board under date of February 14, 1919, under authority of the Executive order of January 26, 1918, prohibiting the exportation or importation of Russian rubles or the transfer of funds for their purchase by persons or dealers in the United States: *Provided*, That no part of the amount appropriated in this act in excess of 5 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 5 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DOUGLAS B. ESPY

The bill (H. R. 1550) for the relief of Douglas B. Espy was considered, ordered to a third reading, read the third time, and passed.

CHEROKEE FUEL CO.

The bill (H. R. 1299) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co. was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3257) to amend the World War Adjusted Compensation Act was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2869) to legalize the use of emergency relief funds for the construction of armories for the National Guard was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes, was announced as next in order.

Mr. COPELAND. I ask that House bill 8599, just stated, as well as Calendar No. 1518, being Senate bill 2003, be passed over. I know the Senator from Wisconsin desires to say something about both bills.

The PRESIDENT pro tempore. The bills will be passed over.

SHIPPING ACT, 1916

The bill (S. 3467) amending the Shipping Act, 1916, as amended, was announced as next in order.

Mr. McKELLAR. Did not the Senator from New York ask that that bill be passed over?

Mr. COPELAND. No, Mr. President; this is a meritorious bill and ought to be passed. The purpose of the bill is to protect against fraudulent billings, to prevent an article being billed as one substance when as a matter of fact it is something else. The bill ought to be passed.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3467) amending the Shipping Act, 1916, as amended, was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Shipping Act, 1916, as amended, is hereby amended by inserting after section 16 a new section to read as follows:

"FALSE BILLING

"SEC. 16A. Any shipper, consignor, consignee, forwarder, broker, or other person, or any officer, agent, or employee thereof, who shall knowingly and willfully, directly or indirectly, by false billing, false claim, false representation, or any other device or means, whether with or without the consent or connivance of the carrier, its officer, agent, or employee, obtain or attempt to obtain transportation for property by any common carrier subject to the provisions of the act at less than the regular rates or charges then in force by such common carrier; or who shall knowingly and willfully, directly or indirectly, by false claim, false representation, or other device or means, obtain, or attempt to obtain, any allowance, refund, or payment in connection with or growing out of the transportation of such property, whether with or without the consent or connivance of the carrier, its officer, agent, or employee, whereby the compensation of such carrier shall be less than or different from the regular rates or charges in force by such common carrier at the time of such transportation, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof in any court of the United States of competent jurisdiction, be subject for each offense to a fine of not less than \$1,000 nor more than \$3,000."

REIMBURSEMENT OF MEMBERS OF THE NAVY AND MARINE CORPS

The bill (H. R. 4799) to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$38,487.04, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps, for losses of and damages to reasonable and necessary personal property resulting from the earthquake which occurred at Managua, Nicaragua, on March 31, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

BILL PASSED OVER

The bill (S. 2003) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States, to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto, and to promote safety at sea" was announced as next in order.

The PRESIDENT pro tempore. As the Chair understands, it has been agreed that this bill should be passed over.

DR. DEXTER P. REYNOLDS

The Senate proceeded to consider the bill (S. 3284) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Dexter P. Reynolds, which was read, as follows:

Be it enacted, etc., That, notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Dexter P. Reynolds, Washington, D. C., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

Mr. McKELLAR. Mr. President, will the Senator from New York explain the bill?

Mr. COPELAND. Dr. Reynolds was out of the city when the bill covering the general subject matter was passed. He was a legitimate practitioner here. He returned afterwards and found that he was debarred by reason of the law which had been enacted. The Commissioners, however, and the Licensure Commission feel that this is a meritorious bill and that it ought to pass.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STEAM-BOILER INSPECTION IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2953) to provide for the inspection and control and regulation of steam boilers and unfired pressure vessels in the District of Columbia, which was read, as follows:

Be it enacted, etc., That this act may be cited as the "Boiler Inspection Act of the District of Columbia."

SEC. 2. Wherever the word "person" is used in this act it shall include individuals, firms, partnerships, associations, and corporations.

SEC. 3. There is hereby constituted a boiler inspection service in the Engineer Department of the District of Columbia, to be composed of the following: (a) A boiler inspector who shall be qualified by training and experience in the construction and operation of steam boilers and unfired pressure vessels, and who, under an official designated by the Commissioners of the District of Columbia, shall have charge of the enforcement of the provisions of this act and of the regulations promulgated hereunder; (b) such assistant boiler inspectors as may be necessary, qualified by training and experience in the construction and operation of steam boilers and unfired pressure vessels; (c) and such other employees as may be necessary for the proper performance of the work. All such officials and employees shall be appointed by the Commissioners of the District of Columbia, and their compensation shall be fixed in accordance with the Classification Act of 1923, as amended.

SEC. 4. No person shall use or cause to be used any steam boiler operating at a pressure in excess of 15 pounds per square inch, or operating at a pressure less than 15 pounds per square inch unless provided with an unassisted gravity return, or any unfired pressure vessel operating at a pressure in excess of 60 pounds per square inch and having a capacity in excess of 15 gallons, except such vessels as may be exempted by the Commissioners of the District of Columbia, without having first obtained a certificate of inspection from the boiler inspector.

SEC. 5. No person shall operate or cause to be operated any boiler or unfired pressure vessel, referred to in section 4 hereof, at a pressure greater than that permitted by the certificate of inspection, or while feed pumps, gages, cocks, valves, or automatic safety-control devices are not in proper working condition, or in violation of any of the regulations promulgated hereunder by the Commissioners of the District of Columbia.

SEC. 6. The boiler inspector, or one of his assistants, shall inspect annually all boilers and unfired pressure vessels for which a certificate of inspection is required by section 4 of this act, and shall determine by actual tests the condition thereof from the standpoint of safety and fitness for operation. If such boiler or vessel be safe and fit for operation, the boiler inspector shall issue the certificate of inspection which shall state, among other things, the pressure per square inch such boiler or vessel may be allowed to carry. This certificate of inspection shall be displayed in a conspicuous place in close proximity to the boiler or vessel covered

thereby. In the case of a steam boiler or unfired pressure vessel which is regularly inspected at least once a year by an insurance company duly licensed in the District of Columbia and approved by the Commissioners of the said District as to its inspection service, where a report of such inspection filed within 30 days after such inspection with the boiler inspector shows any such boiler or unfired pressure vessel to be in a safe and insurable condition, such inspection and report may take the place of the inspection hereinbefore provided and the certificate of inspection may be issued upon such report.

SEC. 7. The boiler inspector may in his discretion revoke or suspend the certificate of inspection provided in section 4 of this act if at any time he shall find any boiler or unfired pressure vessel covered by such certificate to be unsafe or unfit for operation.

SEC. 8. Steam boilers and unfired pressure vessels located in or upon self-propelled boats or vessels or boats or vessels owned or operated by the United States, or upon locomotives, street cars, busses, or other vehicles, operated under the regulations of any Federal agency or the Public Utilities Commission of the District of Columbia, shall be exempt from the provisions of this act.

SEC. 9. There shall be paid to the collector of taxes of the District of Columbia for the issuance of a certificate as required by this act fees to be fixed from time to time by the Commissioners of the District of Columbia for the annual inspection of each steam boiler or unfired pressure vessel, commensurate with the cost of inspection, with power to fix higher fees for the issuance of a certificate where the inspection in connection therewith is made on a Sunday or legal holiday. When an inspection report is filed by an insurance company with the said boiler inspector, showing that a boiler or unfired pressure vessel has been inspected and found to be in a safe and insurable condition as provided in section 6, there shall be paid to the collector of taxes of the District of Columbia a fee of \$1 prior to the issuance of a certificate of inspection.

SEC. 10. The boiler inspector and his assistants shall have the right to enter, in the performance of his or their duties, at all reasonable hours, all premises on which a steam boiler or unfired pressure vessel is being installed, operated, or maintained, and it shall be unlawful for any person to deny admittance to any such inspector or assistant or to interfere with him or them in the performance of his or their duties.

SEC. 11. The boiler inspector shall keep in the office of the boiler inspection service all applications made, and a complete record thereof, as well as of all certificates issued. He shall also keep a complete record of each boiler and unfired pressure vessel inspected, and such other records and data pertaining to the boiler inspection service as may be directed by the Commissioners of the District of Columbia.

SEC. 12. The use of any steam boiler or unfired pressure vessel in violation of any of the prohibitions or requirements of this act, or of the regulations promulgated under the authority hereof, shall constitute a common nuisance, and the corporation counsel of the District of Columbia may maintain an action in the Supreme Court of the District of Columbia, in the name of the District of Columbia, to abate and perpetually enjoin such nuisance.

SEC. 13. If any person shall violate any one or more of the provisions of this act, or of regulations duly promulgated hereunder, the corporation counsel of the District of Columbia, or any of his assistants, shall file an information in the police court in the name of the District of Columbia, and upon conviction such person shall be subject to a fine not to exceed \$100 or to imprisonment for not more than 90 days, or both, for each and every violation thereof, and each violation shall constitute a separate offense.

SEC. 14. The Commissioners of the District of Columbia are hereby authorized and empowered to make such regulations as they may deem proper to carry out the provisions of this act and to fix the fees herein provided.

SEC. 15. All laws or parts of laws relating to boiler inspection in conflict with the provisions of this act are hereby repealed: *Provided*, That no provision hereof shall be deemed to amend, alter, or repeal the act approved February 28, 1887, as amended, being an act to regulate steam engineering in the District of Columbia.

SEC. 16. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SEC. 17. This act shall become effective 6 months from the date of its approval. The regulations and schedule of fees herein provided for shall be promulgated by the Commissioners of the District of Columbia and printed in one or more of the daily newspapers published in the said District but shall not be enforced until 30 days after such publication or until the effective date of this act. Amendments to the regulations or new or additional schedules of fees, when and as the same may be adopted, shall likewise be printed in one or more of the daily newspapers published in the said District, and no penalty for violation thereof or payment of new or additional fees prescribed shall be enforced until 30 days after such publication.

Mr. KING. Mr. President, the present law in the District of Columbia is wholly inadequate to meet the situation. There is only one inspector of boilers, and the demands

which are made upon his time render it impossible for him to make proper inspections. The result has been that there have been a number of catastrophes; boilers have exploded and persons have been injured. After thorough investigation, the District Commissioners, in cooperation with the necessary officials, have recommended this bill. The Senate committee examined it carefully and recommends its passage.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF AUTOMOBILES VISITING IN THE DISTRICT

The bill (S. 3161) to amend section 13 (c) of the District of Columbia Traffic Acts was announced as next in order.

Mr. McKELLAR. Mr. President, may I ask the Senator from Utah; Is it proposed that the driver of a vehicle who comes from another State into the District may be prevented from driving his car in the District?

Mr. KING. The general purpose of the bill is to subject nonresidents who operate motor vehicles within the District of Columbia to the same regulations respecting traffic which are enforced against residents of the District.

Mr. ROBINSON. Mr. President, may I inquire of the Senator from Utah how much time a visitor from one of the States would have to acquire a permit?

Mr. KING. As I recall, there is no provision dealing with that question. As I have indicated, nonresidents enjoy some advantages denied to residents of the District who are operating motor vehicles under permits or licenses obtained from the District authorities. It is sought to have nonresidents submit to the same regulations which control the residents of the District.

Mr. ROBINSON. Submit to what? I did not hear the statement of the Senator.

Mr. KING. Nonresidents are to be governed by the same rules and regulations as to traffic as are those residing within the District and who are operating under District licenses.

Mr. ROBINSON. Is not that true without any special statute? Does not the law of the District relating to traffic apply to visitors as well as to residents?

Mr. KING. Nonresidents, as I recall the provisions of existing law, are not made amenable to a number of regulations to which residents must conform.

Mr. ROBINSON. What is the advantage given nonresidents?

Mr. KING. I do not have the present law before me, but my recollection is that the authority conferred upon the District Commissioners to revoke or suspend automobile-operators' permits issued to local residents contains broader power than that conferred upon the Commissioners to suspend or revoke the right of nonresidents to operate cars within the District. My recollection is that the Commissioners may revoke the permits of residents for any cause deemed by the Commissioners, or their representative, to be in the interest of the public safety; but the law discriminates in favor of nonresidents, as against residents of the District, in that the Commissioners, in dealing with nonresidents who operate cars within the District, may not revoke permits unless the nonresident has been convicted of driving his car within the District under the influence of intoxicants or drugs. In other words, the present law is believed by the Commissioners to be too liberal in favor of nonresident drivers within the District and to impose upon residents more stringent rules and regulations respecting traffic.

Mr. ROBINSON. I think, with a view to reserving the rights of the country boys and others from out of town, I will ask that the bill go over until an opportunity may be afforded to examine it more carefully.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, was announced as next in order.

Mr. COUZENS. That is the so-called "bonus" bill, and I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business which will be stated.

The CHIEF CLERK. A bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

SIXTEENTH ANNIVERSARY OF EIGHTEENTH AMENDMENT

Mr. SHEPPARD. Mr. President, on most of the anniversaries of the eighteenth amendment to the Federal Constitution I have addressed the Senate on the evils of beverage alcohol and the methods of its suppression.

The repeal of the eighteenth amendment, which became effective on December 5, 1933, and its replacement by the twenty-first amendment, which retains national power over interstate liquor shipments, introduced another epoch in connection with the age-old and ever-present liquor problem.

Occurrences since the repeal of the eighteenth amendment have shown that the dangers of the liquor traffic to the Nation have multiplied with the disappearance of national prohibition.

We can repeal legislative and constitutional enactments but we cannot repeal the nature of a physical poison.

Developments since the repeal of the eighteenth amendment continue to demonstrate the value of prohibition in Nation and in State.

These developments show that such is the nature and power of the liquor traffic that no unit, national, State, nor otherwise is able to handle it with any substantial degree of success once the legal and constitutional barriers are broken down.

Observe what has happened since the revocation of the eighteenth amendment.

Nearly all the States now have the license plan or State monopolies or dispensaries, the license plan predominating. In most of these States the abuses and the evils of the old-time saloon have returned, with added viciousness and debauchery. Women have become patrons in such numbers and with such persistence that the words "feminine barfly" have become a shameful addition to our language. Mr. Martin Nelson, secretary-treasurer of the Keeley Institute, the largest liquor-cure institution in the country, said last month that drinking among women had increased materially since the repeal of the eighteenth amendment, that the open saloon was again in evidence, that the number of women patients at the Keeley Institute increased 14 percent during the first 10 months of 1935, but that the gain in number of patients was probably not comparable to the actual increase in the number of women who have become habitual drinkers in recent years. Mr. Nelson added that of the women taking the cure for the drink habit 90 percent were married, 77 percent were housewives, the remainder being divided among school teachers, nurses, bookkeepers, salesladies, office workers, and restaurant keepers.

Already there are more places where legalized liquor is sold in the area where all prohibition has been abolished, State and National, than there were in the entire country at the time of the adoption of the eighteenth amendment. Before national prohibition there were 177,790 saloons. Now, by best estimates, there are more than 200,000 retail outlets. Beer is sold amid new surroundings—in hardware stores, groceries, restaurants, drug stores, and other places, which women and children frequent.

The Brewery Age of October 1935 announced that Mrs. Norma V. Young, home economics editor, who writes for the Los Angeles Examiner as "Prudence Penny", would speak before the United States Brewers Association's national convention at Los Angeles, October 23, 1935, on What Shall We Do About the Women? She was expected to give many suggestions to the industry on how to sell women beer. Perhaps the most significant statement made by "Prudence

Penny" in her address to the brewers was one not to forget the younger set, saying:

You will have to appeal to the coming generation, and while I have the greatest respect for the wisdom and experience of our elders, it is the teaching you do now for our younger generation that is going to help you increase your percentage of beer consumed by women.

Since the repeal of the eighteenth amendment the number of deaths and accidents due to drinking drivers of automobiles and drinking pedestrians has reached the highest point ever known. It was shown last year through figures gathered from official sources by Dr. Theron Wendell Kilmer, police surgeon, of Hempstead, N. Y., in a paper read before the Thirty-fifth Annual Convention of the New York State Association of Chiefs of Police at Utica, N. Y., that in the country as a whole the number of drinking drivers had increased 11 times more in 1934 over 1933 than the number of cars had increased in 1934 over 1933.

The gravity of the traffic-accident problem has brought about an organized effort upon the part of many groups to institute safety campaigns in individual cities and in the Nation at large. Despite all safety campaigns and public discussion, however, the indications are that the number of accidents and fatalities in 1935 will equal, or almost equal, those of 1934—an all-time high.

Since repeal the insurance companies are facing more extensively than ever the effect of the use of alcoholic beverages by applicants for insurance. The Northwestern Life Insurance Co., one of the large and representative companies of the Nation, reports that according to its experience indulgence in alcohol shows an increase of 149 percent as a cause of rejection for insurance among men and women under 30; that for all ages the increase in rejections involving alcoholic excesses is 25 percent since the prerepeal days of 1931 and 1932. This company states that an examination of its accepted insurance applications for the spring of 1935 as compared with the same period in 1932 discloses an increase of 74 percent in the proportion of applicants using alcoholic beverages; that this figure includes all reports of indulgence, occasional as well as habitual, young people showing a much greater increase than any other age group with a gain of 138 percent in users of intoxicants among those under 30. Analyzing its rejections, the company states that each age group showed an increase due to indulgence in alcohol, except the group over 45, which showed a slight decline since repeal, the average increase of all ages being as heretofore stated 25 percent, and for the group under 30 as also heretofore stated 149 percent.

Mr. Walter C. Hill, president of the Retail Credit Co., said in a paper before the medical section, American Life Convention, April 1935, that there was a steady rise in hazards to insurance companies of drivers of automobiles and of pedestrians associated with liquor; that available records indicated a relatively large number of accidents to either the driver or a second party where one or both were under some influence of liquor; that the hazard of the slowing-up effect of alcohol on the driver covered the small end of the picture, the greatest toll coming from pedestrians affected by alcohol on account of their larger numbers. It will be noted that Mr. Hill did not include children and older people unaffected by alcohol who are perpetually imperiled on roads and streets by auto drivers whose mental reactions are crippled by even moderate quantities of alcohol.

With approximately 25,000,000 motor vehicles crowding American highways and moving at modern speed rates, it is nothing less than complicity in murder to enhance the use of beverage alcohol by giving it a legalized status.

Beverage alcohol and auto driving will not mix. Beverage alcohol and machinery will not mix. Beverage alcohol and progress will not mix. Beverage alcohol and right conduct will not mix. Beverage alcohol and law observance will not mix.

We were told that repeal would promote temperance. How completely the records repudiate that assertion! They show that tax-paid withdrawals of distilled spirits, including alcohol for consumption, rose from a little more than 6,000,000 gallons

in 1933, the last year of national prohibition, to nearly forty-two and a half million gallons in 1934 and to nearly eighty-two and a half million gallons in 1935. They show that tax-paid withdrawals of fermented malt liquors for consumption rose from about six and a half million barrels in 1933 to a little more than 32,000,000 barrels in 1934 and to nearly 42,000,000 barrels in 1935. Remember that liquors withdrawn for industrial uses are for the most part tax-free. Recalling the verdict of the ages that social abuses increase largely in proportion to the quantity of alcoholic liquors consumed, we may well turn with a shudder from any attempt to measure the inferno these figures suggest.

We were assured that bootlegging and illicit selling would largely disappear with the return of the legalized liquor traffic. In reply, I refer to excerpts from testimony last year before the Senate Finance Committee by the National Civic Federation. This federation is not a prohibition group, but an organization which has been making a study of the liquor question as well as other matters of national significance. The Federation stated to the Senate Finance Committee that bootlegging, rum running, and illicit selling were depriving Federal and State Governments of more than \$300,000,000 annually in collectible revenues; that Federal Alcohol Commissioner Choate had expressed the fear in April 1934 that seizure of illicit plants for the first 3 months of that year indicated the year's total would amount to 7,952 illicit plants with a combined annual capacity of 271,623,000 gallons, while actually the year's total was much larger; that since conditions in 1935 were admittedly no better than in 1934 it must be conceded that no less than 50 percent of distilled spirits consumption was not being tax paid.

Repeal has not been followed by anything like effective regulation or control. It has not decreased the consumption of alcoholic beverages. It has not promoted temperance. It has not reduced crime. It has not eliminated the bootlegger, the gangster, the kidnaper, nor the illicit distiller. The revenue it produces is not a source of relief to the taxpayer, because every dollar of liquor revenue means the extraction of eight or ten additional dollars from the pockets of the consuming public for the purchase of intoxicating beverages. It cannot make any contribution, therefore, to prosperity. It has been marked by an increasing number of arrests and commitments for driving while drunk or drinking, and for offenses growing out of the use of liquor, by the return of the saloon, with women and girls conspicuous among patrons, servers, and bartenders.

The American Businessmen's Research Foundation of Chicago, an organization devoted to a constructive endeavor to solve the liquor question, announced a five-point appraisal of the liquor traffic in the United States on the 1st of January 1936.

The statement began with the assertion that the beginning of 1936 and the end of the first 2 calendar years of the legalized liquor traffic had disclosed the social and economic menace of a legalized trade in beverage alcohol.

The five points in this connection were in substance as follows: First, that this traffic had again been revealed as the only legalized business which gave its patron no value in return, but products that promoted disorder, destroyed efficiency, bred physical disability, mental derangement, and moral irresponsibility; second, that unlike any other industry it directly diverted an amount now growing annually into billions from legitimate business without any equivalent to its customers; third, that in failing to return this equivalent it was a fraudulent competitor with all other American industry; fourth, that the national advertising and high-pressure sales program of the liquor traffic through the press, the radio, the movies, the billboards, the mails, and other channels of publicity was a destructive influence in that it bred potential disaster not only to every other business but physically and otherwise to millions of American industry's legitimate customers; and, fifth, that the revenue apology faded completely when the economic, social, educational, and political waste in the wake of the reopened saloon was considered, as well as the further fact that the

people were paying 10 times as much as the revenue received by the Government out of their own pockets directly for liquor or for liquor's share in the annual crime and accident bill.

As man's struggle to conquer liquor has continued through the centuries, the problems of drink have become, year by year, more and more social in their character and less a matter of individual determination. This process has been accentuated in comparatively recent years by countless inventions and mechanical devices which have served to increase the momentum of the conditions under which we live; which have served to bring human beings into more immediate, numerous, and vital relationships with each other, and which have increased the chances we as individuals possess of injuring and bringing harm to our fellow men. There was never a period in the history of our country when the acts of a drinking man would constitute such a menace to the safety and happiness of others as they do today.

Dr. Arthur D. Bevan points to the social significance of the liquor problem by stating emphatically that the greatest factor of law control in the interest of the health of the Nation would be the elimination of alcoholic drink; that this is not tyranny—that it is progress, it is science, it is civilization; and that civilization is often compelled to protect the individual against himself.

It was because of the social significance of the liquor problem in this country that, 16 years ago, we as a Nation banded together to protect ourselves from the menace of drink and the degrading influences of the liquor traffic. It was to protect our society from the ravages of alcohol upon the human body, to lift us above drink-caused poverty, to crush the saloon with all its degrading influences, and to blast the liquor interests from their strangle hold upon the political life of this country that we turned to Nation-wide prohibition as the most effective weapon against liquor. The problem had long ceased to be exclusively an individual one.

Society has the right to expect that each individual will so conduct himself as to make a reasonable and substantial return on the investment which it has made in his protection, his education, and his environment. The individual who poisons himself with alcohol infringes that right. He cannot make himself as useful and as effective a member of society as if he did not so abuse himself. Especially does he betray society when he makes himself a detriment and a menace.

There are those who make the assertion that the eighteenth amendment was a violation of personal liberty. Let us examine that statement. A drug, a narcotic, in any form, whether it be opium, alcohol, cocaine, morphine, or any similar article, will destroy the capacity to exercise liberty in the vast majority of victims.

Who is he that asserts a personal right to engage in a trade or business that cripples the human body, destroys or absorbs the earning power and the property of men, and shatters the happiness of others? I tell you there are no such personal rights, and no property rights, in a practice such as this. Why is this true? Because the rights of society are superior to the indulgence, the appetite, or the greed of individuals.

No single word in our language has been subjected to more perversion and misinterpretation than the word "liberty." As one has said, "There is scarcely a sin or crime against God or man that has not, some time or other been honored and dignified by the word 'liberty.'" Personal liberty does not imply, and it has never implied, the right to kidnap, the right to embezzle, the right to blackmail, the right to bribe, or the right to drive others to poverty, broken health, or shame through the promotion of a traffic in a drug, by purchase, use, or sale, that produces these results.

No; true liberty has never had any such meaning in our history. Liberty to our fathers, and to us, means liberty regulated and ordered. No one can deny that the right of the individual ends where the rights of others begin. As Albert E. Sawyer, formerly with the University of Michigan Hospital, and an authority on business management, once said, society takes an interest in the conduct of the individual

in an amount proportionate to the power and ability of the individual to influence the health, the happiness, and the welfare of others.

Naturally, as our social and economic structure becomes more and more complex, as industrial machinery, fast moving trains, automobiles, and airplanes come into existence, the power and the play of individual action must be curbed and prohibited more and more in the interest of all.

For instance, as millions on millions of people became dependent on meats and other foods shipped from packing houses it became necessary to prohibit in the interest of all the sale and shipment of unclean, impure, and dangerous foods, and the right of an individual to eat what he pleased was not permitted to interfere with the general right to protection. As criminal elements began more and more to impose on the weak and the unsuspecting by the sale of quackeries and poisonous drugs, it was demanded that such practices and products be made the subject of rigid prohibitions and restrictions. As opium began to work its way into this country, our Government stepped in to prohibit it, except for its established scientific uses.

These prohibitions and restrictions were applied not in violation of personal liberty but to give birth to and to nourish true personal liberty and to preserve in the individual the power to exercise personal liberty. They were applied to make possible an environment in which the individual could be truly free and could have every legitimate chance of making his contribution to society. Such freedom is certainly not to be sacrificed to the so-called liberty to indulge a personal appetite.

Beverage alcohol undermines the moral, mental, and physical strength of multiplying millions and thus cripples the foundations of democracy, self-government, and progress. It imperils liberty because liberty is the power to choose the right and to take advantage of opportunity. An article whose consumption impairs this power through the corruption of the springs of thought and energy, of health and will, as does this liquid poison, is a destroyer of liberty, and its tolerance is not an emblem of freedom.

It is public enemy no. 1, and the only way to handle it is to destroy it.

DECISION OF SUPREME COURT IN A. A. A. CASE

Mr. MINTON obtained the floor.

Mr. TRUMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOLT in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	O'Mahoney
Ashurst	Coolidge	Holt	Overton
Austin	Copeland	Johnson	Pittman
Bachman	Costigan	Keyes	Pope
Bailey	Couzens	King	Radcliffe
Bankhead	Davis	La Follette	Robinson
Barbour	Dickinson	Lewis	Russell
Barkley	Dieterich	Logan	Schwellenbach
Benson	Donahay	Loneragan	Sheppard
Bilbo	Duffy	McAdoo	Shipstead
Borah	Fletcher	McGill	Smith
Brown	Frazier	McKellar	Steiwer
Bulkeley	George	McNary	Thomas, Okla.
Bulow	Gerry	Maloney	Thomas, Utah
Burke	Gibson	Minton	Townsend
Byrd	Glass	Moore	Trammell
Byrnes	Gore	Murphy	Truman
Capper	Guffey	Murray	Vandenberg
Caraway	Hale	Neely	Van Nuys
Carey	Harrison	Norbeck	Wagner
Chavez	Hastings	Norris	Walsh
Clark	Hatch	Nye	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. LEWIS. Mr. President, this morning I announced the necessary absence of certain Senators, and I should like to have the announcement repeated on this roll call.

Mr. MINTON. Mr. President, it is with great deference that I rise to address this distinguished body at this time. I propose to discuss very briefly the recent decision of the Supreme Court, in which it held the Agricultural Adjustment Act unconstitutional. Lawyers of far greater distinction

than I, and statesmen of proven wisdom and ability who honor this body by their presence, are better able to discuss it than I. However, the gravity of our present situation constrains me to attempt at this time the expression of my own views on this important decision and the problem to which it relates.

As a lawyer I have the greatest respect for the Supreme Court. I accord to their decisions the respect that is due them. However, I cannot help remembering that in each case argued before the Court some good lawyer finds that he is mistaken about what the Constitution provides, and very frequently some members of the Court are mistaken. Of course, Congress would not be expected to know! In other words, what the Constitution provides rests in the minds and hearts of nine eminent and distinguished gentlemen of the Court who have the last guess. They have the last guess because they have decreed it so, and we have accepted it as a part of our jurisprudence that the Court shall have the last guess. This guess may be by any varying majority, and sometimes they even take a second guess.

I mention these facts only to remind Senators that there is nothing sacrosanct about the opinions of the Court. Unlike the law of the Medes and Persians, their opinions can be changed. I hold no brief for this most important opinion of the majority of the Court. I disagree with the majority emphatically. I think their opinion is the most strained, forced construction of the Constitution, and the most highly flavored political opinion to come from that Court since the Dred Scott decision.

I accept the Court's decision in the same spirit in which Abraham Lincoln accepted the Dred Scott decision, when he said, first, in his debate with Douglas:

Somebody has to reverse that decision, since it is made, and we mean to reverse it, and we mean to do it peaceably.

And, second, when he said in his first inaugural address:

At the same time the candid citizens must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by the decision of the Supreme Court, the instant they are made in ordinary litigation between parties in personal actions the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal.

I accept the decision as the law to be obeyed, so long as it is the law, and I join the ranks of those who believe it their duty to release the country from the paralyzing effect of that opinion. We accept it as the law of that case, but we will not be bound by any implication contained therein, that this Government of the United States is powerless to aid its people in distress. We must avert the consequences of the Court's action in destroying the first national program that ever put a dollar in the farmer's pocket, and has lifted the great agricultural industry of the Nation from the slough of bankruptcy and ruin and set it well on its way to prosperity; we must avert the consequences by enacting legislation within the law declared in that opinion if possible, but if that cannot be done, then change the fundamental law of the land in accordance with its own provision. But avert the consequences we must. It will not do for a nation that has nurtured industry—yes; subsidized it with a lavish hand—to say to the agricultural interests of this Nation, in the darkest hour of their need: "We cannot help you."

As we approach the analysis of this opinion, there are two aspects in which to consider it. First, we may consider what it did not decide, and then, what it really did decide.

I have always understood that when the Supreme Court was considering the constitutionality of statutes, even a State statute, that the A B C's of such construction were that if an act is subject to two constructions, one of which renders the act unconstitutional and the other constitutional, the latter must be adopted.

Mr. Justice Sutherland, in the *Arkansas Gas Co. v. The Railroad Commission* (in 261 U. S. 379-383) said:

The rule is fundamental that if a statute admits of two constructions, the effect of one being to render the statute unconstitutional and the other to establish its validity, the courts will adopt the latter.

So that rule is fundamental! That is hornbook law! What did the Court do? It had a choice of deciding that

the law was a scheme to use the taxing power to compel regulation in a field the Federal Government had no power to regulate, which would make the law unconstitutional, or it could have taken the position that the law was the exercise of the power granted in the Constitution to lay an excise tax and spend it in the interest of the general welfare, and that in the spending of it, to save the agricultural industry of the Nation, Congress might reasonably be held to have acted in the general welfare and, therefore, the act was constitutional.

Did the Court adopt the constitutional rule? Not at all! Agriculture is the largest single industry in the Nation. I assume, of course, that the Supreme Court knew that. Fully 45 percent of our people are directly dependent for their living upon the tillage of the soil or rendering some service to the tillers of the soil, such as country merchants, garages, shops, and so forth. Even that must have been known to the Court.

For 10 years prior to 1933 the farmers of this country steadily progressed toward ruin and in 1933 had just about arrived. Yes; arrived at the point of desperation, unable to pay their taxes or meet the interest payments upon their mortgages, with their crops rotting in the fields, unable to get a price for them that would pay for the seed and fertilizer. They were desperate as they witnessed the accumulations of a lifetime of toil and sacrifice taken from them by the tax-gatherer and under the sheriff's hammer. Armed with shot-guns, they barricaded the highways and stopped the trucks and poured the milk in the gutters, they burst open the doors of the freight cars and dumped the produce on the right-of-way. Yes; they put a rope around the neck of a judge and threatened to hang him because he declared the law in a foreclosure suit. That was the picture in the beginning of 1933, with the largest single industry of the Nation prostrate, bewildered, and frustrated. We faced an emergency in this country never paralleled in its history. Congress met in conference with the leading representatives of agriculture. This legislation was passed, and lo and behold, it worked. That may be the rub. Prosperity returned to the farmers. Maybe that should not have happened. With the millions in benefit payments paid to the farmer to induce him to reduce his production, and the increase in farm produce from 10-cent corn to 75-cent corn and 30-cent wheat to 90-cent wheat and 3-cent hogs to 12-cent hogs, and so on all along the line, the farmers' prosperity began to reach everyone.

You would think that the Supreme Court, with the knowledge of these facts, which even they must have known, would have approached the consideration of this act with these facts in mind, and with such an approach may very properly have held that the act was a valid exercise of the taxing power and the expenditure of that tax to save the agricultural industry of the Nation was an expenditure in the interest of the general welfare and, therefore, the act was constitutional. Three of the Court did take that course, but not the majority. They not only did not decide the question of general welfare but expressly avoided it.

I quote from the opinion of Mr. Justice Roberts:

We are not now required to ascertain the scope of the phrase "general welfare of the United States" or to determine whether an appropriation in aid of agriculture falls within it.

And again he says:

The tax can only be sustained by ignoring the avowed purpose and operation of the act.

The Court thereby admits what I think no one will dispute—that Congress has the power to levy such a tax, although the Court does not decide it. On the other hand, it does not decide it cannot be done. So we have the Supreme Court of the United States refusing to decide a question squarely before it, namely, whether this was a proper levy of an excise tax and a proper expenditure in the interest of the general welfare. Why did not the Court decide this question? Because it could not say to the people of this country that where the Constitution of the United States provides for the collection of taxes to provide for the general welfare that the expenditure of that money to save agriculture was not in the interest of the general welfare.

It just did not make sense. So the Court refused to see what everybody else saw and expressly declined to decide

what the Court itself designated "the controlling question in the case."

Having left out Hamlet in the case and refused to decide the question of the general welfare, which was expressly presented, it proceeded to decide the case on a ground that to the majority's satisfaction invalidated the legislation. And what was the basis of that decision? Stripped of the things the Court did not decide and the spook arguments advanced about things that have never happened, the case simply decides that the act was invalid because it was a scheme to use the taxing power to enforce regulations in a field left to the States and not granted to Congress. Is not that what they decided and nothing more? Let us see.

May I remind you again that they never decided the scope of the general-welfare clause or whether an appropriation in aid of agriculture falls within it. Neither did they decide the right to levy the tax or deny the right.

At the very beginning of his opinion Mr. Justice Roberts points out the issue he must meet in these words:

The Government, in substance and effect, asks us to separate the Agricultural Adjustment Act into two statutes, the one levying an excise on processors of certain commodities, the other appropriating the public moneys independently of the first. Passing the novel suggestion that two statutes enacted as parts of a single scheme should be tested as if they were distinct and unrelated, we think the legislation now before us is not susceptible of such separation and treatment.

In other words, the Court declines to separate the act into the constituent elements of taxing and appropriating, for the reason that the Court could not deny the power to tax, and it did not have the effrontery to decide that the expenditure of that tax money to save agriculture was not in the interest of general welfare. So the Court takes the position that the tax is part of a scheme to regulate; and the regulation being without the Federal jurisdiction, the act fails.

That is the basis of this opinion. That is what it holds, as I read it, and, in my judgment, that is as far as it goes. I quote variously from the opinion:

The tax can only be sustained by ignoring the avowed purpose and operation of the act.

Again:

The tax plays an indispensable part in the plan of regulation.

Again:

The tax is fixed with the purpose of bringing about crop reduction and price raising.

Again:

The exaction cannot be wrested out of its setting, denominated an excise for raising revenue, and legalized by ignoring its purpose as a mere instrumentality for bringing about a decided end.

Again:

We conclude that the act is one regulating agricultural production; that the tax is a mere incident of such regulation.

The pivot of this decision, upon which the case turns, as pointed out by Justice Stone, is that the act is a scheme to use the taxing power to enforce regulation in a field reserved to the States. To sustain this, the majority cites as authority the *Second Child Labor case* (259 U. S. 20). I submit that this authority does not sustain the Court and is so clearly beside the mark that a freshman in law school ought to be able to see it. One almost wonders why a judge on the Supreme Court could not see it. In fact, three of them did, and pointed it out very clearly in their dissenting opinion. Here is the distinction: The tax in the *Child Labor case* was a penalizing coercive tax, laid upon the taxpayer to compel the taxpayer to discontinue the use of child labor in his factory, and laid only if he did not so discontinue the use of child labor.

The Court had held in the *First Child Labor case* that the power to regulate under the commerce clause, the employment of child labor in the factories in the States, did not reside in Congress, and the second case was an attempt to use the taxing power to enforce regulations in a field in which Congress had been denied the right to regulate under any grant of power contained in the Constitution. But in that case the tax penalized and coerced the taxpayer; it was

put into effect only when he violated the regulation. It was not intended to raise revenue, but to penalize, and that in a field where there was no other Federal power to support the taxing power. The taxing power was exerted on the taxpayer, but in the recent case the processing tax was not a penalizing tax. It did not operate upon the taxpayer to compel him to conform to any regulations. The regulations, if any, came only with the spending or appropriating of the money. In the *Child Labor case* the tax operated on the taxpayer to coerce him in a field in which Congress had no power to regulate, while here the tax, and hence the exercise of the taxing power operated on no taxpayer to compel him, by force of the tax, to conform to any regulation.

Mr. Justice Stone, in his dissent, clearly points out the inapplicability of the authority relied upon by the majority, in the following words:

While all Federal taxes inevitably have some influence on the internal economy of the States, it is not contended that the levy of a processing tax upon manufacturers using agricultural products as raw material has any perceptible regulatory effect upon either their production or manufacture. The tax is unlike the penalties which were held invalid in the *Child Labor Tax Case*—because they were themselves the instruments of regulation by virtue of their coercive effect on matters left to the control of the States. Here regulation, if any there be, is accomplished not by the tax but by the method by which its proceeds are expended, and would equally be accomplished by any like use of public funds, regardless of their source.

As I view this case, unfortunate as it is, our situation is not hopeless. We may yet lay the tax, the right to do which is not denied. The money from the tax goes into the Treasury. Then, another power of Congress comes into play, the power to appropriate this money from the Treasury. The only limitation mentioned in the Constitution upon the use of money in the Treasury of the United States by the Congress is that it cannot be expended except in accordance with an appropriation duly made, and that no appropriation shall be made for a period of more than 2 years for the support of armies. Appropriation of money by Congress is not mentioned in the Constitution, except in those two instances. There is no limit upon the objects for which Congress may appropriate money, except that the appropriation is restricted to the purpose for which it is made, such as to pay the national debt, provide for the national defense and the general welfare; that is, it must be for a governmental purpose. With the money in the Treasury, Congress then appropriates it in aid of agriculture. If Congress does this, who has a standing in court to question such appropriation? Under the authority of *Massachusetts against Mellon*, no taxpayer or State can question the expenditure of the money. Assume, for the sake of argument, that someone may invoke the jurisdiction of the court to question the appropriation made by Congress to aid a prostrate industry, such as agriculture, can it be said that such expenditure is not in the interest of the general welfare? Can such an expenditure be said to bear no reasonable relation to the general welfare? I think not; and the Supreme Court will never say to the contrary; and, after all, the only power the Court would have would be to decide whether the act was arbitrary or whether it bore no reasonable relation to the general welfare.

The tilling of the soil as an industry may be committed by the present form of the Government to the care of the States, but the welfare of the industry as a whole and its prosperity are of national concern. If the industry as a whole is not prosperous, it affects vitally the welfare of the entire Nation.

What have State lines to do with this phase of it? What does the artificial State line between the great States of Illinois and Indiana have to do with the price of corn and hogs? What do the artificial State lines from Georgia to Texas have to do with the price of cotton in the Cotton Belt? We, therefore, have an aspect of agriculture which is subject to State control, and another which is the concern of the National Government, since the prosperity or bankruptcy of that industry affects the general welfare.

In aid of the national problem and to further the welfare of the Nation, Congress may spend and appropriate money

from the National Treasury. Certainly the power to spend money is as broad as the power to raise it, or why authorize the raising of it? Therefore if Congress may tax for the general welfare, it may spend for the general welfare. This has not been denied by the Supreme Court. It has only condemned what it believed to be an unauthorized exercise of the taxing power in a scheme where the taxing power could not be separated from regulations over which Congress has no control.

So if Congress should make the appropriation, the only thing that the Supreme Court could look to would be to determine whether or not the expenditure was in the general welfare. The general welfare is recognized in the Constitution as a governmental purpose, and, if the expenditure of the money bore any reasonable relation to the general welfare of the United States, the Supreme Court of the United States could not declare it to be unconstitutional.

Mr. President, I conclude, in agreement with the distinguished junior Senator from Alabama [Mr. BANKHEAD], that we may tax and then spend for the general welfare, and that saving agriculture would be spending for the general welfare, and therefore within the power granted to the Federal Government under the Constitution.

Although the Court has gone out of its way to wreck a system that works, it has not gone so far, in my humble opinion, as to make our condition hopeless.

I hope I am not wrong in my judgment of the scope of this important decision. If I am, and the Court has effectively paralyzed the arm of Congress to act to relieve the people who constitute the Government, then the people must act to reclaim their own Government.

The blight of the cold, dead hand of the Court must not be permitted to contaminate the blood stream of the Nation and destroy the right of the people to live and prosper.

PEACE AND NEUTRALITY

Mr. CAPPER. Mr. President, yesterday was the seventh anniversary of the ratification of the Kellogg-Briand Peace Pact for the renunciation of war. That pact had the approval of all peace-loving people of the whole world. Recently I have been overwhelmed with petitions and appeals from the people of Kansas and other Western States urging prompt action on the neutrality bill which, it is hoped, will minimize the means by which the United States may again be dragged into a war in which our people are not concerned—a causeless war, so far as the people of the United States are concerned. Such proposed legislation is now under consideration in the Committee on Foreign Relations, and the country hopes that an effective measure, written in the interest of peace and of the people, will be enacted.

I believe it is a fair statement that what is uppermost today in the minds of the American people is not the Supreme Court and its power to decide legislative and administrative policies; it is not the form of the Constitution; it is not the necessity of a balanced Budget. The people are thinking of all these things; they are important; they affect the welfare and the future well-being of all our people. The people realize that fact.

But above and beyond all these questions is the heartfelt desire that this Nation shall never again be embroiled in another foreign war and a growing determination that the Nation shall not be dragged into another world war to make profits for financiers and munitions makers and other war profiteers.

I want the Congress to pass a permanent neutrality measure that will leave no question where the United States Government stands. I believe the people of this country want the Congress to assume this responsibility and to take action promptly.

The American people look upon war for what it is—a colossal crime and a stupendous folly, the curse of nations, and the misery of their people. War is a crime with penalties that never end. It seems no atonement can be made for the crime of war. We know—we know too well—that the consequences of war are unending. Years of poverty, suffering, disease, and debasement cannot pay for war. This bitter

realization has come to the people of the world, as it has come to the people of this country.

Mr. President, regardless of blundering diplomacy, regardless of scheming dictators and equally scheming war profiteers, regardless of what may happen over the world in the next 10 years to discredit this prophecy, I say to you that war is definitely on the way out. Sooner or later the world's rulers, nominal and real, will be forced to recognize this. Sanity and common sense eventually and inevitably will dominate the world and world policies, instead of war and the insanity and folly of war.

Preceding the storm of indignation in England over the proposal to dismember Ethiopia, which resulted in the plan being abandoned and officially denounced, the people of Great Britain, by the largest popular poll ever taken in the British Isles, declared themselves for peace measures and almost unanimously against war. A poll taken in this country by the Congregational churches shows the peace sentiment in the United States is just as strong. A world-wide petition calling on all governments to settle international disputes peacefully will soon be started on its way.

A poll of a cross section of the Middle West, taken by a group of newspapers and magazines published in the center of the United States and made public a few days ago, indicates and emphasizes that the people in seven of these Central States—Kansas, Missouri, Iowa, Nebraska, Oklahoma, South Dakota, and Colorado—are overwhelmingly against this country's participation.

The people of this distinctive American region of the United States are demanding, almost unanimously, that this country shall not participate in another foreign war.

That profit shall be taken out of war by drafting industry and wealth as well as men in case of war.

That before declaring war the question shall be submitted to a vote of the people.

That no loans for war purposes shall be made to foreign governments.

That the people of the United States shall sell no supplies to warring nations.

That munitions of war shall be manufactured in Government plants.

That military training in our colleges shall not be compulsory.

By an overwhelming majority the poll also favors world disarmament. One remarkable and highly creditable feature of this poll, in which nearly 100,000 participated, was the huge majority vote against selling supplies to warring nations. This section of the country would profit directly and largely from such sales. The vote against selling supplies to warring nations was 26 to 1, with more than 90,000 ballots on this question. This testifies strongly to the sincerity of the convictions expressed in this particular poll. Any general poll of the people of the United States would, I am confident, show similar results.

I have received voluntary petitions signed by thousands of citizens of my State against our participating in another foreign war. They come from many organizations. Long lists of signatures are attached to them. The preamble of one such petition states the case simply, forcefully, and adequately, as follows:

We, the undersigned, view with alarm the political situation developing in Europe. The horrors of the last European war, in which we were entangled, are still fresh in our minds. In the name of humanity, keep us out of war.

Mr. President, the Congress of the United States as representative of the people of the United States can do no more timely and momentous act at this hour than to declare itself, in a way that can leave no question, where the people and the Government of the United States stand, in positive opposition to war and war-breeding policies and actions.

As a part of that declaration, a declaration written into an effective act, let it be stated plainly that we will under no circumstances, bind ourselves to send an army or navy to foreign shores; that we will make no alliances nor assume any obligations to protect Europe's territorial boundaries; that this Nation nor its people will not finance the

quarrels of other nations nor ever again send its young men across the sea to fight in a cause in which we have no just concern; that our Government will enforce strict American neutrality in case of foreign wars.

Finally, on the firm basis of such an understanding, let it be made known that American good will and American common sense will go the limit to uphold America's traditional policy of peace on earth, good will toward nations and men.

Mr. President, I think the Senate will be interested in the result of the peace poll to which I have just referred. Following is the report:

Final report on war peace poll

	Yes	No
1. Should the United States keep out of all foreign wars?.....	90,746	964
2. Do you favor giving the people a vote on the question before going to war?.....	87,714	2,542
3. Do you favor taking the profit out of war by drafting industry and wealth as well as men in case of war?.....	89,333	2,444
4. Do you favor world disarmament?.....	81,422	7,930
5. Do you favor the manufacture of munitions at Government plants instead of at private plants?.....	82,095	8,087
6. Do you favor the United States or any of its citizens or institutions lending money to foreign nations to be used for war purposes?.....	2,067	89,558
7. Do you favor the people of the United States selling supplies to warring nations?.....	3,598	87,046
8. Do you favor compulsory military training in colleges?.....	12,077	78,257

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal and for other purposes.

The PRESIDING OFFICER (Mr. MOORE in the chair). The bill is open to amendment.

Mr. GORE obtained the floor.

Mr. McNARY. Mr. President, will the Senator from Oklahoma yield for a moment?

Mr. GORE. I yield.

Mr. McNARY. I am advised that several Members of the Senate interested in the bill now before us as the unfinished business are not prepared to go forward with it today. One of the Senators is suffering from a severe cold, which would prevent his discussing the subject. Would the Senator from Oklahoma be willing that the bill may go over for the day if such action will not destroy any of the rights of priority it may have under the order of the Senate?

Mr. GORE. If I could have some assurance that Senators in opposition to the bill will be ready to proceed, I should be very glad to oblige them, with the understanding that the unfinished business be laid aside to be taken up immediately after the disposition of the special order.

Mr. McNARY. May I suggest to the Senator that I do not see the Senator from New York [Mr. COPELAND] or the Senator from Maine [Mr. WHITE] in the Chamber at the moment. It might be well to suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Gore	Maloney
Ashurst	Chavez	Guffey	Minton
Austin	Clark	Hale	Moore
Bachman	Connally	Harrison	Murphy
Bailey	Coolidge	Hastings	Murray
Bankhead	Copeland	Hatch	Neely
Barbour	Costigan	Hayden	Norbeck
Barkley	Couzens	Holt	Norris
Benson	Davis	Johnson	O'Mahoney
Bilbo	Dickinson	Keyes	Overton
Borah	Dieterich	King	Pittman
Brown	Donahay	La Follette	Pope
Bulkeley	Duffy	Lewis	Radcliffe
Bulow	Fletcher	Logan	Robinson
Burke	Frazier	Loneragan	Russell
Byrd	George	McAdoo	Schwellenbach
Byrnes	Gerry	McGill	Sheppard
Capper	Gibson	McKellar	Shipstead
Caraway	Glass	McNary	Smith

Steiwer
Thomas, Okla.
Thomas, Utah

Townsend
Trammell
Truman

Vandenberg
Van Nuys
Wagner

Walsh
White

The PRESIDING OFFICER (Mr. MALONEY in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

SECRET TREATIES DURING WORLD WAR

Mr. CONNALLY. Mr. President, I ask to have read by the clerk, in my time, an excerpt from the press, which I send to the desk. Before that is done, I wish to say that I have had the Senator from North Dakota [Mr. NYE] advised as to what I expect to discuss, and have requested his presence.

Mr. McNARY. Mr. President, I will state to the Senator that I have sent word to the Senator from North Dakota that the Senator from Texas is about to speak.

Mr. CONNALLY. Very well.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

[From the Washington Herald of Thursday, Jan. 16, 1936]

WILSON DECEIVED UNITED STATES, SAYS NYE—PRESIDENT KNEW BUT DENIED SPOILS PACT, PAPERS SHOW

By Don Ewing

Charges that Woodrow Wilson and his Secretary of State, Robert Lansing, "lied" to the American public concerning secret plans of World War allies to split up conquered European territories were made yesterday by Chairman Nye in the Senate munitions inquiry.

The cutting of the territory "pie" itself did not involve the United States.

Simultaneously, the committee revealed statements by Wilson long after the war ended that this Nation would have entered it even if Germany had "committed no act of war or injustice" against this country.

Nye's "lie" charges came in yesterday's hearing as Senator BENNETT CLARK (D.), of Missouri, read into the record numerous hitherto secret State Department documents, and also excerpts from memoranda of both British and American war-time statesmen.

These documents revealed that Wilson and Lansing were aware in late April 1917—a few weeks after America entered the world conflict—of secret agreements between the Allies on splitting up European territory among themselves in event of victory.

Further documents showed Wilson and Lansing, both now dead, denying as late as the fall of 1919 in testimony before the Senate Foreign Relations Committee that they knew of the treaties until Wilson went to Paris in December 1918, after the war ended, to help negotiate the Treaty of Versailles.

Other documents in the committee's possession detail official denial by the Wilson administration of knowledge of the treaties late in 1917, when the Soviets overthrew the Russian Government.

As this developed, Nye turned to CLARK and said:

"Then it is clear that both President Wilson and Secretary Lansing lied when they stated from time to time they had no knowledge of these secret treaties."

CLARK had read into the record excerpts of writings by Lord Balfour, head of the British mission to this country in April 1917—after the United States went to war—detailing a conversation at a White House dinner with Wilson.

Mr. CONNALLY. Mr. President, for some time I have observed the course of the Munitions Committee with a great deal of interest, and frequently with amazement; but not until today, with the appearance in the press of the charges by the Senator from North Dakota [Mr. NYE] attacking very courageously and bravely two men who are now dead, did the operations of this committee reach what I believe to be their, so far, lowest depth of performance.

I have invited the Senator from North Dakota to be here. I should like to have him tell the Senate whether or not he is correctly quoted in this press dispatch. The Senator from Texas endeavored this morning, through the committee, to secure a copy of the verbatim report of the proceedings on yesterday and was advised that it would be several days before it could be obtained.

Mr. President, I assume that the Senator from North Dakota—who purportedly is pursuing the munitions investigation in behalf of peace—on yesterday wantonly and flagrantly and without any justification whatever insulted the memory of a man who, perhaps, of all men in recent times, devoted his life, his efforts, and practically sacrificed his life in behalf of the cause of peace. I know that many Senators on the other side and many on this side of the Chamber differed with him in his ideas as to how peace was ultimately to be attained and vigorously fought his methods, but I do

not believe that any responsible Member on either side of the Chamber will impeach the integrity of purpose or the splendid idealism of Woodrow Wilson; and at this late day, at least 17 years after the war closed, the Senator from North Dakota is spending the Government's money seeking to ascertain why we went into the World War!

If the Senator from North Dakota, as the result of his reading and his experience during that time, has not yet found out why we entered the World War, he is a very poor leader to lead us out of the danger of future wars; and he professes to be engaged in these pursuits for the purpose of preserving peace and averting war!

Mr. President, I was not an intimate of President Woodrow Wilson. I was only a new Member of the House of Representatives when the war began; but, without that intimacy, I, as one of his admirers—not always a supporter in every detail of his policies, but one of his admirers—desire to express my own resentment of the coarse, common insult which the Senator from North Dakota has heaped upon one of the great figures in American history.

I am not speaking as a Democrat. Let us for the moment forget partisanship. Whether you loved Woodrow Wilson or whether you hated him, whether you agreed with him or whether you opposed him, when the history of this Republic shall be written, his titanic figure will tower above some of the puny pigmies who now bark at his memory, as Pikes Peak towers above the fog and the bog of that Arkansas swamp, which only yesterday engulfed 17 human lives.

Mr. President, being one who is devoted to parliamentary ethics and parliamentary observance, and one of limited resources, I find it very difficult within the compass of parliamentary propriety to find language adequate to express my contempt for efforts of this kind to besmirch the memory of the man Woodrow Wilson, whose tongue is now silent, and has been silent for these many years, or to attack the memory of Robert Lansing, who has now been gone for many years.

If the Senator from North Dakota is so heroic—this white knight of peace—if he wants to make charges like this, why does he not single out some double-fisted man who is still alive? There are many in this body, and many elsewhere in Washington, who had a part in the transactions to which he has referred, and let him impugn their purposes and their motives.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. FRAZIER. I do not know anything about the reasons for my colleague the junior Senator from North Dakota [Mr. Nye] making the statements purported to have been given to the press, but I have reason to believe they were made on evidence developed through his committee.

As far as the Senator's suggestion is concerned that my colleague single out some two-fisted individual and go after him, I think it is fair to say that some of the witnesses who have been called before that committee are as two-fisted as anyone who might be found. Some of the biggest bankers of the Nation have been before the committee.

Mr. CONNALLY. Mr. President, because a man is a banker does not make him an outcast with me. The senior Senator from North Dakota [Mr. FRAZIER], through a spirit of loyalty to his colleague, which is very admirable, rises and says, first, that he knows nothing about why these charges were made; then the next moment says he is sure they were made, however, on the basis of testimony adduced before the committee.

I do not care how the charges were made; they are infamous. Some checker-playing, beer-drinking, back room of some low house is the only place fit for the kind of language which the Senator from North Dakota, the chairman of the committee, this Senator who is going to lead us out toward peace, puts into the Record about a dead man, a great man, a good man, and a man who when alive had the courage to meet his enemies face to face and eye to eye. No one ever saw Woodrow Wilson sheathe his sword so long as combat was on.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McKELLAR. How long will it be before the committee will complete its labors and how much money has been expended by the committee in what it is doing?

Mr. CONNALLY. I can only say that my recollection is that \$150,000 in all was appropriated. I understand it was \$150,000. As to the limit of time, I do not think there was any limit on the time. I think they will run just as long as they are given money.

Mr. McKELLAR. Does the Senator know how long this money will last and when it will be necessary for the committee to come to the Senate for additional money?

Mr. CONNALLY. I am sorry I cannot answer the question. The Senator from Tennessee is on the Committee on Appropriations, and he should not ask a Senator who is not on the committee about the appropriation. I thank him, but it is embarrassing to the Senator from Texas not to be able to answer the Senator about a matter of appropriations.

Mr. McKELLAR. I do not know what this committee is doing with the money which has already been appropriated, but it does seem to me we are going far afield when we appropriate money to be expended for the purpose stated by the Senator from Texas.

Mr. CONNALLY. I shall say to the Senator that I hold in my hand a copy of the resolution creating this committee, or I suppose it is the one creating the committee. It is Senate Resolution 206.

Mr. NYE and Mr. VANDENBERG submitted the following resolution.

The date at the head of the resolution is February 28, 1934, calendar day of March 12. Let us see what expenditure is authorized. In hastily reading the resolution I am led to believe that the appropriation must have been in a separate resolution. Then by Senate Resolution 244 the committee were granted \$35,000 additional.

Mr. McKELLAR. On what date?

Mr. CONNALLY. In June 1934.

Mr. McKELLAR. Thirty-five thousand dollars?

Mr. CONNALLY. Thirty-five thousand dollars additional.

Mr. McKELLAR. The Senator does not know how much of that has already been expended?

Mr. CONNALLY. I do not know. What is the object of the Munitions Committee? What is its jurisdiction? Where did it get authority to do what it is undertaking to do? I ask the clerk to read portions of the resolution.

Mr. CLARK. Mr. President, may I suggest to the Senator that the whole resolution be read?

Mr. CONNALLY. I have no objection. But just a moment. The Senator from Missouri can answer the question of the Senator from Tennessee. The Senator from Tennessee desires to know how much money the committee has had appropriated.

Mr. McKELLAR. And how much of it has been spent.

Mr. CLARK. Mr. President, I am unable to answer exactly as to the amount that has been spent. My recollection is that \$125,000 has been appropriated all-told, a sum very small in comparison with the sums spent by other important investigating committees of this body. I should be glad to find out exactly and tell the Senator.

Mr. McKELLAR. I shall be glad if the Senator will do so.

The PRESIDING OFFICER. The clerk will read as requested.

The Chief Clerk read as follows:

Whereas the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense; and

Whereas the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars; and

Whereas the Seventy-first Congress, by Public Resolution No. 98, approved June 27, 1930, responding to the long-standing demands of American war veterans speaking through the American Legion for legislation "to take the profit out of war", created a War Policies Commission which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof; and

Whereas these recommendations never have been translated into the statutes; Therefore be it

Resolved, That a special committee of the Senate shall be appointed by the Vice President to consist of seven Senators, and that said committee be, and is hereby, authorized and directed—

(a) To investigate the activities of individuals, firms, associations, and of corporations and all other agencies in the United

States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof, and the quantities exported from the United States and the countries of destination thereof; and

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries; and

(c) To review the findings of the War Policies Commission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution; and

(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war and to submit recommendations thereon.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. CONNALLY. Mr. President, in answer to the inquiry of the Senator from Tennessee, I shall say that I have consulted the financial clerk of the Senate, and he advises that \$125,000 has already been appropriated for the use of the committee. I did not ascertain how much of it has been spent, but nearly all of it must have been spent, because I find Senate Resolution No. 8, by the Senator from North Dakota, under date of last January, asking for \$50,000 additional—\$50,000 additional!

Mr. President, Senators have heard read from the desk the resolution creating the Munitions Committee, I challenge Senators to point out where in that resolution any authority was granted to the Munitions Committee to go back and to rediscover why the United States entered the war.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. At this time I do not desire to enter into a discussion of the remarks of the Senator from Texas, which were studiously made in the absence of the Senators upon whom he has been reflecting.

Mr. CONNALLY. The Senator from Missouri states something which is not true, because I advised the Senate before I began to speak. I did not intend to mention the Senator from Missouri. I advised the Senate that I did intend to mention the Senator from North Dakota [Mr. Nye], and I advised him of it, and that Senator knows I invited him to be present.

Mr. CLARK. Mr. President, will the Senator again yield to me for a moment?

Mr. CONNALLY. I yield.

Mr. CLARK. Let me say that during my service in the Senate, when I have found it necessary to discuss an absent Senator in this body I have never yet done so without first notifying him of my intention to do so. It is my intention to continue to pursue such a practice as long as I continue to remain a Member of this body. I learned casually a few moments ago, while I was in attendance on the Munitions Committee, that the Senator from Texas was on the floor making very serious reflections upon myself as well as the Senator from North Dakota. I came over to the Senate Chamber. I do not desire to answer the Senator's remarks until I can get the stenographic notes and see what he has said. However, as to the challenge just issued by the Senator from Texas, it seems to me that the Senator from Texas should be able to understand—

Mr. CONNALLY. Mr. President, I yielded to the Senator from Missouri but not for a speech.

Mr. CLARK. Does the Senator desire me to accept his challenge or not?

Mr. CONNALLY. At the proper time.

Mr. CLARK. The Senator has made the challenge.

Mr. CONNALLY. I have not completed my challenge.

Mr. CLARK. I shall be glad to point out where the authority referred to lies in the resolution.

Mr. CONNALLY. Very well, if the Senator will be brief.

Mr. CLARK. I will be brief enough to read one paragraph out of the resolution which fully answers the Senator's challenge.

Mr. CONNALLY. I shall be glad to have the Senator do so.

Mr. CLARK (reading):

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries.

Mr. President, I submit that such a duty as was imposed on the committee would be impossible of performance without a review of the experiences of the United States previous to the last war which finally led us into the war.

Mr. CONNALLY. I thank the Senator.

Mr. CLARK. The Senator is welcome.

Mr. CONNALLY. I thank the Senator, because now I am glad to know—yes; I repeat and say I am glad to know that that is the platform upon which the committee bases its assertion of its plenary and almost world-wide powers.

Mr. CLARK. Mr. President—

Mr. CONNALLY. Just a moment. The Senate knows that when I rose to speak I notified the Senate that I had advised the Senator from North Dakota—not personally, but through officers of the Senate—that I was about to speak and invited the Senator from North Dakota to be here, because I intended to discuss some remarks he had made. The Senator from Oregon [Mr. McNary] rose in his seat and advised the Senator from Texas that he also had invited the Senator from North Dakota to be here. If the Senator does not desire to come, that is his concern.

Now, as to the Senator from Missouri [Mr. Clark]. I had not mentioned the Senator from Missouri, and I did not intend to mention the Senator from Missouri. But evidently the Senator from Missouri, when he heard the Senator from North Dakota mentioned, felt that he had to be mentioned also. So he takes offense at what I said.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. If the Senator has not mentioned my name, I apologize. I was informed while I was attending the meeting of the Munitions Committee that the Senator from Texas had mentioned my name and seriously reflected upon me, and for that reason I came over to the Senate Chamber. I stated to the Senator a moment ago that I have not yet had a chance to examine the stenographic notes of his remarks.

Mr. CONNALLY. The Senator is not going to change his remarks. I will say that. Let me say to the Senator from Missouri that I shall call Senators as witnesses here who will testify that I did not mention the Senator from Missouri; and if he is not satisfied with the testimony of Senators, I shall call some clerks around here and the doorkeepers and the press gallery. I made no mention of him.

What I said I shall repeat for the benefit of the Senator from Missouri. I quoted the press report which said that the Senator from North Dakota had referred to President Wilson and Secretary of State Lansing as having lied. The Senator from Missouri was present at the committee meeting. He knows whether that occurred. Did that occur?

Mr. CLARK. That did not.

Mr. CONNALLY. Why does not the Senator from North Dakota [Mr. Nye], who the newspaper said made the statement in question, not come here and say to us whether he made that statement or not?

The Senator from Missouri says that he would never on the Senate floor make a statement about an absent Senator.

Why did not his committee practice that sort of thing in the committee when they dragged the grave clothes off of Woodrow Wilson, and dragged his poor body across the committee room and plastered it with the denunciation of having lied? The Senator is so courteous that he will not even talk about an absent Senator, and will not discuss him unless he talks to his face. Yet this committee which is headed by the Senator from North Dakota goes back like a ghoul, like an historical ghoul, and desecrates the sacred resting place of the honored dead.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. Does the Senator regard it as pulling the grave clothes off any dead man to read the record immutably written and on file in the State Department of his own official pronouncements?

Mr. CONNALLY. Then the Senator approves what he says the Senator from North Dakota did not say? Does the Senator approve that? Does the Senator say that President Wilson lied?

Mr. CLARK. I will say "no" in answer to the Senator. I did not say President Wilson lied. As a matter of fact, the Senator from North Dakota did not use exactly that language. He did say that the committee would take official cognizance of an official document in the State Department, supported by many subsidiary documents put in evidence, to the effect that the substance of the secret treaties had been communicated to the American State Department, and, on the authority of Mr. Balfour and Mr. Lloyd George, to President Wilson shortly after the entrance of the United States into the World War. I do not say that Wilson lied or falsified, or that Secretary Lansing did when he appeared before the Foreign Relations Committee. I do say there is an obvious inconsistency between the records shown in the State Department files and that testimony. Possibly there was some distinction in the President's mind as to the absolute knowledge that had been conveyed to him which justified him in making that statement. All that I have done, so far as I am concerned, is to put into the RECORD the documents as they appear in the files of the State Department and from other sources.

Mr. CONNALLY. I am glad to have the interruption of the Senator from Missouri. However, Mr. President, the Senator from Missouri is quite willing to take the testimony of Mr. Balfour and Mr. Lloyd George, if there be such testimony, and I am not prepared to deny it, against the testimony of Mr. Wilson. Quite willing. Balfour told the truth. Lloyd George, a foreigner, who wants to induce us to help them, to get into the war—

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. We were already in the war. This was a statement made by him after the United States went into the war, supported both by the testimony of Mr. Balfour and Mr. Lloyd George and Colonel House, and also by documents in the State Department itself.

Mr. CONNALLY. Mr. President, this American committee, this patriotic committee, this committee which loves its country so greatly that it is going to pass a rule to prevent any war in the future, is perfectly willing to take the testimony of Lloyd George and Mr. Balfour and call President Wilson a liar. O Mr. President, they speak of these secret documents in the State Department, and they cite this authority for their action. What is the authority that the committee cites for its going back and trying to discover why we went into the World War? Let us see this Magna Carta of the Munitions Committee. This is what the Senator from Missouri says is their authority to do what they are doing:

To investigate and report upon the adequacy or inadequacy of existing legislation—

Existing legislation—

and of the treaties to which the United States is a party—

Now—right now. Not 18 years ago, but today—

for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war—

Where?

within the United States, and of the traffic therein between the United States and other countries.

Where is there the authority to go back and impeach the record of America itself as to why we entered the war? Where therein lies even an imaginary authority to question the vote of the Senator from Florida [Mr. FLETCHER] when he voted that the United States should enter the war, and to smear that record all over with the fact that we did not know why we were fighting, and now we are going to find out? Where is there a line here to impeach the record of the Senator from Illinois [Mr. LEWIS], who was here when the declaration of war was made? Where is there a line to impeach the vote of any Senator on the other side of the Chamber as to why he voted that we should enter the World War?

Mr. President, the action of the Munitions Committee is an impeachment before the world of America's own record. It is an impeachment of the action of the Senate and of the House of Representatives. Yet the committee say that because the Senate authorized them to report upon the adequacy of existing legislation with regard to munitions and the manufacture of arms, that they have a right to go back 18 years and hunt out the secret documents in the archives of the State Department!

Mr. President, the Senator from Missouri speaks of the documents which are within the State Department. I can see the ferrets of this committee now—these high-priced expert assistants to the committee, including Mr. Raushenbush or Raushenbottom or some name of that kind—going into the secret files of the State Department, sifting them with microscopes, trying to get something to impeach the record of this country in the World War—something to throw slime over Woodrow Wilson and Secretary Lansing and others who are dead. Oh, yes; great documents! Of course, anybody knows that in the secret files of any government contradiction is going to be found, one man saying this and the other saying that about some matter, just as the Senator from Missouri rushed in here and said that I had mentioned his name and that I had attacked him. That is not true; and yet if the Senator from Missouri had been writing his diary today, unless I had corrected him, he would have set down in his diary that the Senator from Texas, without any warning, had attacked him on the floor of the Senate.

Mr. CLARK. I do not keep a diary.

Mr. CONNALLY. The Senator from Missouri says he does not keep a diary. Well, I admire him for not doing it.

Mr. CLARK. Does the Senator from Texas keep a diary?

Mr. CONNALLY. No; not a written one; I keep one in my brain. [Laughter.] I recommend that to the Senator from Missouri.

Mr. CLARK. Mr. President, the Senator from Texas has a great deal of room in his brain for the purpose of keeping a diary. [Laughter.]

Mr. CONNALLY. Absolutely, and other Senators who lack room would do well if they had more room. Of course, I mean my remarks facetiously, because the remarks of the Senator from Missouri were an effort at facetiousness, and I have to reply in kind.

I wonder where the Senator from North Dakota [Mr. NYE] is. [Laughter.]

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries that it is necessary for them to preserve order. They are the guests of the Senate, and the Chair must insist that order prevail.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. FRAZIER. I am informed that my colleague [Mr. NYE] is acting as chairman of the Munitions Committee in the hearing and questioning the banker from New York City, Mr. Morgan.

Mr. CONNALLY. Oh, well, if he is after a banker, God speed him! [Laughter.]

Now, about the bankers. The Senator from North Dakota a while ago said that some two-fisted bankers had been

brought before the committee, but none of them were called liars, were they? The committee did not get very far with the most of those two-fisted bankers who were called before the committee, if the newspapers are to be believed. Oh, but they have a banker before them and have him cornered over there. What they are going to do to him I do not know, but he belongs to the other party; and God knows, get him if you can, boys. But, Mr. President, a banker is an American citizen just like anybody else.

I hold no brief for bankers. They hold all my notes. That is all the relation I have ever had with bankers. I owned stock in four banks once upon a time; but all except one failed, and that is a very little one in the small town where I was born and where there are only 500 people. That is the size of my banking interest.

But, Mr. President, the Senator from North Dakota could have relinquished the chair in the committee to the Senator from Missouri, if he had wanted to come here, but he has not done so. He will probably come tomorrow; but he ought to come here now. I want him to stand up in the Senate and state whether he said what the newspaper quotes him as saying, and I want the reporter who reported the statement in the morning Herald to state whether the Senator said it.

If there is that much doubt and that much controversy between those who were present in the committee yesterday, why is it remarkable that there should be some disagreement, after 18 years, about what happened in the course of an oral conversation during the World War. I submit that to the Senate. Yet, because Mr. Wilson did not agree in his memorandum and in other reports of private conversations with what Mr. Balfour said, or what Mr. Somebody Else said, Mr. Wilson is denounced as a liar.

So far as I am concerned, I have voted just about all the money that I am going to vote from the Treasury of the people of America, who really want peace and who are devoted to peace, to the exploitation of the Committee on Munitions. They have already spent \$125,000 and they want \$50,000 more. Mr. President, in real truth, the Government would save money if we were to appropriate a lump sum, turn it over to some advertising agency, tell them to devote it to the chairman of the committee, and put the rest of the money in their pockets. [Laughter.]

Mr. McKELLAR. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I yield.

Mr. McKELLAR. I have ascertained that the exact amount appropriated for the committee is \$125,000, as the Senator from Texas has just said, and all but \$400 has already been expended; in other words, \$124,600 have already been expended, and the committee has \$400 left. So, if the Senate agrees with the Senator about the matter, the activities of the committee can easily be stopped by not voting them any more money.

Mr. BYRNES. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. BYRNES. The figures are as stated by the Senator from Tennessee [Mr. McKELLAR], \$124,600; but I must say to the Senator that my information is that that is not the entire sum; that the city of New York applied for the establishment of a project to give employment to clerical workers; that such a W. P. A. project was approved, and the workers assigned to the work of the committee. I do not know what expenditures have been made on that account, but during the closing days of the last session a Member of the Senate called it to my attention and I inquired about it and found that was so.

Mr. CONNALLY. How much did the committee get on that account?

Mr. BYRNES. How much money was allocated to the project, I do not know. The project was requested by the city of New York or by someone in its behalf, according to the information obtained by me.

I do not mean to say that the committee was exceeding its powers, for under the language of the original resolution,

it had the authority to procure assistance from departments of the Government, but how much assistance the committee received in that manner I do not know.

Mr. CONNALLY. I thank the Senator.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me say just a word, and then I shall yield. I thank the Senator from South Carolina [Mr. BYRNES], because we all know how efficient and active he is as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate; but does the Senator mean that the Munitions Committee is on the relief roll? [Laughter.] As I understand, the committee got this money on the ground of relief for the workers whom they have employed doing the work of the committee.

Mr. BYRNES. I do not know what prompted the committee to do it; I did not know of it being done until a Member of the Senate asked me about it. I had no information on the subject and so I inquired and ascertained the fact.

Mr. CLARK. Mr. President, as the Senator from Texas has the floor and seems to cut me off every time I seek to interrupt him, I will wait until he concludes and will then speak in my own time.

Mr. CONNALLY. I shall say to the Senator from Missouri that I had yielded to him several times. He said I "cut him off." I had some sort of illusion that I had control of the floor.

Mr. CLARK. That is precisely what I said. The Senator from Texas has the floor, and I would prefer him to occupy his time, and then I will take the floor in my own right.

Mr. CONNALLY. We shall be very happy to have the Senator from Missouri take the floor; we are always glad to have the Senator from Missouri take the floor; we always enjoy his brilliant arguments, sound reasoning, and his wild, enthusiastic presentation of any subject in which he is interested.

I hope the Senator from Missouri when he takes the floor will elaborate somewhat on section (b) of this resolution. Mr. President, section (b) refers to "existing legislation" and existing treaties. For what purpose? "For the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States." Where in that section is there any authority to go out and dig up secret treaties of the Allies or of any other nations 18 years ago? I care nothing about those secret treaties; they are water over the dam; they are now embalmed in the diplomatic history of an era that is dead—I hope never to be revived. But where is the authority in the resolution for the committee to go snooping around through the secret files of the State Department and drag out documents of foreign powers and other things of that kind that might embarrass a nation and might cause other governments to charge us with bad faith?

Mr. President, that authority is not written; it was never written by the hand of the Senate; it was not drafted by the draftsmen who drew this resolution, and that power, if there be such power, is only the assumption of the Committee on Munitions and its chairman. They are doing it because nobody stops them. They haul witnesses before them and witnesses come because they do not want to be pilloried at the bar of public opinion as trying to prevent the country having any knowledge which they possess.

So, Mr. President, in conclusion I want to renew here and now the solemn assertion that this resolution contains no authority of the Senate for the committee to go back among the dead and buried figures of the past, the dead and buried papers of the past, the dead and buried relationships of the past, pull them out now before a curious world for the amusement of the public and for the enhancement of the political fortunes of the chairman of the committee.

I must conclude that the Senator from North Dakota used the language credited to him by the press. He knew I was going to speak; he was advised by two or three different people that I was going to talk about this newspaper report, and he is not here. He will come rushing in, prob-

ably tomorrow or some other time, with a press release in one hand and a copy of some proceedings over there in the committee in the other hand, and try to make a reply. I want to express the indignation that I feel, and that I am sure is felt by practically every Senator who was here during the World War, at this unseemly, this almost scandalous effort to besmear and besmirch the record of America in the World War. We know why we went to war.

If the Senator from Missouri does not understand why we went to war, if the Senator from North Dakota [Mr. Nye] does not understand why we went to war, let them read the resolution for which we voted; let them read the debates in this Chamber and the other Chamber. They will find written there in those indelible records, in those records which neither time nor place nor circumstance can erase, the reasons why America went to war.

Now, after 18 years, those who see visions and who listen to the voices of ghosts, who prowl around the graveyards, come forth and try to tell us, "You think you knew why you went into the war. You did not go into the war because you wanted to. You did not go into the war because Germany sank American ships and murdered American men and women. You did not go into the war because Germany sent her submarines to this side of the ocean in violation of the international law of the world and sent women and children down to watery graves, with the American flag, in some cases, floating above them."

"Oh, no!" the Munitions Committee says, out of the depths of its wisdom, out of its occult powers, out of its marvelous connection with the stars of the heavens which we ordinary mortals never understand. This committee tells us now in solemn pronouncement, "You did not go into the war for these causes. You went into the war because some big bad wolf, a munitions maker, and Mr. Lloyd George bulldozed you into the war, made you go into the war, fooled you into the war, conspired against you and dragged you in while you did not know it." Some international woman of the street, lurking at the corner of an alley, enticed Uncle Sam down the alley and got him into war! [Laughter.]

Mr. President, I know the Senator from Missouri [Mr. Clark] wants to take the floor. I thank the Senate for its attention. I wish to close by challenging the Senator from South Dakota [Mr. Nye] to come here and either confirm the language which he is said to have used, or rise on the floor and eat his words.

Mr. CLARK. Mr. President, it will be necessary for me to detain the Senate very briefly to dispose of the remarks of the Senator from Texas [Mr. Connally]. It is perfectly natural that the Senator from Texas should desire to deliver an ad captandum harangue without reading the record of the Munitions Committee and the scope of their investigations and the progress which has been made in the development of facts in connection with the matters which they are investigating, rather than wait until he has done so, because doubtless if he were familiar with the records before the Munitions Committee he would not have had the hardihood to make the remarks which he addressed to the Senate today.

Mr. President, so far as the authority of the Munitions Committee is concerned to investigate into the conduct of the United States during the last war, with a view to proposing legislation which will make such drifting into war impossible in the future, it runs throughout the whole length and breadth of the resolution which the Senate adopted 2 years ago. The very first whereas in the preamble to the resolution sets it forth and it runs throughout the resolution. Let me read the resolution:

Whereas the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense; and

Whereas the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars; and

Whereas the Seventy-first Congress, by Public Resolution No. 98, approved June 27, 1930, responding to the long-standing demands of American war veterans speaking through the American Legion for legislation "to take the profit out of war", created a War Pol-

cies Commission, which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof; and

Whereas these recommendations never have been translated into the statutes: Therefore be it

Resolved, That a special committee of the Senate shall be appointed by the Vice President to consist of seven Senators, and that said committee be, and is hereby authorized and directed—

(a) To investigate the activities of individuals, firms, associations, and of corporations and all other agencies in the United States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof and the quantities exported from the United States and the countries of destination thereof; and

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States and of the traffic therein between the United States and other countries; and

(c) To review the findings of the War Policies Commission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution;

That preamble I have just read.

(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war, and to submit recommendations thereon.

Then follow certain other clauses relating to appropriations.

Mr. President, the particular investigation in which we are presently engaged in the Munitions Committee is not only in direct compliance with the direction and authority of the Senate, but, to my mind, it constitutes the most important compliance with the direction of the Senate of all the activities of the Munitions Committee. For some 18 months the Munitions Committee has conducted an exhaustive investigation. I undertake to say in this place that never has so much important information, afforded as a basis of legislation, been obtained for the Senate for such a small cost as has been obtained by the Munitions Committee with the appropriations heretofore made by this body.

Mr. President, it is an amazing thing for the Senator from Texas [Mr. Connally] to undertake to intimate or to state that the Munitions Committee is exceeding its authority when it investigates the chain of circumstances involving our commercial alignments and the commercial involvements of American citizens ultimately resulting in the involvement of the credit of the United States Government itself, which led us into the war in 1917. I undertake to say if the Senator from Texas had devoted more time to familiarizing himself with what the committee has been doing and less to agitation against the imposition of an oil embargo he might have been better informed than he is today.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. CLARK. I yield.

Mr. CONNALLY. What does the Senator mean by saying something about an oil embargo?

Mr. CLARK. I understand the Senator's activities in the Foreign Relations Committee have been very much devoted to expressing great fear of the imposition of embargoes.

Mr. CONNALLY. Did he say anything about an oil embargo? Does the Senator mean to imply that I was actuated in my efforts in the committee by any interest in an embargo on oil?

Mr. CLARK. I am in no way imputing an unworthy motive to the Senator from Texas.

Mr. CONNALLY. If the Senator has not made any sort of an insinuation like that, he had better not do so.

Mr. CLARK. I will say to the Senator from Texas that I will make any insinuation or any statement that is fit and proper to make when supported by the facts.

Mr. CONNALLY. I think that is true. Does the Senator make it now?

Mr. CLARK. I state to the Senator from Texas that his course, as I understand it—

Mr. CONNALLY. Where does the Senator get his understanding? Does he know anything about it at all? Did he get his understanding from the same man who told him I was talking about him a while ago?

Mr. CLARK. I did not say that.

Mr. CONNALLY. I wish to say to the Senator from Missouri that the Senator from Texas has never mentioned oil in the Foreign Relations Committee in all the discussion of these matters. If it is the habit of the Senator from Missouri to be actuated by improper motives, it does not necessarily follow that any other Senator is.

Mr. CLARK. I stated to the Senator from Texas just a moment ago that I was imputing to him no improper motives, but I repeat that if the Senator from Texas, before he took the floor to make a speech about it, had devoted himself as assiduously to finding out what had been going on in the Munitions Committee, he probably would not have made the speech which he has made here today.

What the Munitions Committee is presently doing, in order to afford a basis of facts for the consideration of the Senate and the House of Representatives of the United States and the executive departments of the Government in the formulation of new neutrality legislation and the formulation of future foreign policies of the Government, is to submit, so far as we have been able to find it, insofar as we have been able to develop it, the record of everything that happened from the beginning of the World War in 1914 until the entrance of the United States into the war in 1917. It is very easy for the Senator from Texas to quote a resolution, with which we are all familiar, affording the basis of the declaration of war—the resolution in which the United States declared it was about to go to war. That is a very different matter from painstakingly digging out the commercial involvements which began immediately after the declaration of war in Europe in 1914, which step by step took the United States along a course which could lead only to war, by their commitments on one side as against another, if the war lasted long enough to drag us in. To say that we went to war because of the sinking of some ships, with the loss of some American lives, is very different from developing painstakingly, step by step, the fact that the United States at one time had an opportunity to prevent the continuance of unrestricted submarine warfare, and, for fear of offending Great Britain and the other Allies, refused to push its advantage and stop permanently such unrestricted submarine warfare.

So far as secret treaties are concerned, I have not said, and I have not intimated, that President Wilson or Secretary Lansing falsified the record. I did place in the record, as I felt it my duty to do, and as I would do again whenever the question might come up, the evidence upon the subject, showing evident inconsistency in the statements made by President Wilson and Secretary Lansing at a later date to the Committee on Foreign Relations. As to the explanation of what was in the minds of President Wilson and Secretary Lansing as to the inconsistency of their statements that they had not been apprised of the secret treaties between the Allies, I have not undertaken to make an estimate.

I repeat, Mr. President, that it has been the duty of the Munitions Committee, as we have understood it, to arrive at all the facts pertinent to the issues committed to us by the Senate, and to place those facts in the record without fear and without favor to anybody. I may say in passing that we have placed in the record facts to which former President Hoover very seriously objected. We have placed in the record facts to which the friends of former President Coolidge very seriously objected. We have not hesitated to place in the record at any time any facts concerning any of the issues submitted to us which seemed to us to be pertinent to the investigation we were instructed by the Senate to pursue.

Mr. CONNALLY. Mr. President, the Senator from Missouri [Mr. CLARK], as is always the case with a man who has a weak cause, sought to insinuate that somebody had told him somewhere that in the Committee on Foreign Relations the Senator from Texas was very much concerned about an embargo in time of war with foreign countries, because of his interest in oil.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McKELLAR in the chair). Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. Yes.

Mr. CLARK. Let me say to the Senator from Texas that I had no notion of intimating that the Senator from Texas had specified oil in the Committee on Foreign Relations. I, of course, am not a member of that committee. I was told that the Senator had been rather vigorously opposing the proposition to authorize the imposition of embargoes, particularly at the present time. Inasmuch as the question of oil embargoes had been more to the fore than the imposition of any other embargo, it was fair to conclude that that was the one in the Senator's mind. Let me say to the Senator from Texas that I have no disposition or desire whatever to impute to him any unworthy motive.

Mr. CONNALLY. Will the Senator do me the kindness of stating who told him that I did that?

Mr. CLARK. I prefer not to do that. It was a member of the Senate Committee on Foreign Relations; and I do not think the Senator from Texas will deny that he has been opposing this matter of embargo.

Mr. CONNALLY. I shall tell the Senator what I have done. I have to tell him now. It relates to the proceedings of an executive session, but I have to tell him; and I hope the Senator from California [Mr. JOHNSON] will remain in the Chamber, because I may need his testimony.

The Senator from Missouri is suspicious that every Senator has some secret motive, some improper reason for action. Let me say to the Senator that if I had been concerned about an embargo on oil, as the representative of the greatest oil-producing State in the Nation, it probably would have been a part of my duty here to see that oil received at least fair treatment; but I think the Senator from California will testify, if his testimony would be satisfactory to the Senator from Missouri, that I have never mentioned oil in the Foreign Relations Committee.

Mr. JOHNSON. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. JOHNSON. Let me say that if any man is guilty of mentioning oil in the Foreign Relations Committee, I am that man. I am the one who asked the Secretary of State whether or not there had been an embargo upon oil to Italy. I asked the question with the distinct purpose which readily I avow. I do not want this country to be levying sanctions upon any nation on the face of the earth at the behest of Great Britain or Great Britain's League of Nations. I do not want—and I say it frankly—to lead the way in sanctions in this difficulty abroad, so that again America will be out on a limb, and America will be leading in a European controversy. [Manifestations of applause in the galleries.]

Mr. CONNALLY. I thank the Senator. The Senator has stated the facts, and I thank him.

Mr. President, I now desire to state, for the benefit of the Senator from Missouri, and for the benefit of every other Senator who is interested, just what the Senator from Texas has done in the secret meetings of the Committee on Foreign Relations. Evidently, if the Senator from Missouri got any information from that committee, he got it in violation of the rules of the Senate, because its proceedings were secret, and he says they were secret. Evidently the Senator, through some of his friends or the employees of his Munitions Committee, has a way of getting information that is secret and is not supposed to be divulged to the outside world.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. The Senator knows very well that I have no means of getting information from the Foreign Relations Committee through any employees of the Munitions Committee. The statement was made to me by a colleague of the Senator and of myself.

Mr. CONNALLY. A member of the Committee on Foreign Relations! Ah! I would not break faith with a man who told me in public what had transpired in a secret committee meeting if I were the Senator from Missouri. I would respect that confidence. The Senator from Missouri secures from a brother Senator information as to a secret, executive transaction of a committee and then he gets up on the floor and divulges it! I am astonished.

Here is what the Senator from Texas did in the Foreign Relations Committee: We have pending before us a bill known as the Pittman bill. I shall ask to have a copy of the bill sent to me. I think it is section 9 of the bill which provides that in time of war the President of the United States may embargo the exportation to a belligerent country of materials which may be used in war over and above the normal amount of those materials which has been going to that country in time of peace.

Mr. JOHNSON. Mr. President, section 4 is the one referred to.

Mr. CONNALLY. Section 4 is the one which provides for the embargo. Section 9, however, provides that if an American citizen is carrying on with a nation at war, or with a neutral nation, or with anybody else, commerce in commodities in the normal amount that is carried on in time of peace, which he has a perfect right to carry on, and which the Government of the United States says he has a right to carry on, the United States Government will not protect him, but that he shall do it at his own risk.

I opposed that. The Senator from California [Mr. JOHNSON] opposed it. The Senator from Idaho [Mr. BORAH] opposed it. There was no mention of any particular kind of commodity. God knows I am one Senator who does not want war; but when an American citizen is carrying on a legal trade with a foreign power under the explicit permission of his own Government I will not vote for a joint resolution or an amendment to a statute empowering the Government to say to him that he has to go into these places of danger robbed of his character as an American citizen, without any protection; that the United States will not assert its power to protect him. I will not vote for a measure of that kind even though it may be sponsored by the Senator from Missouri [Mr. CLARK] and that courageous knight of peace, the Senator from North Dakota [Mr. NYE].

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. Yes.

Mr. CLARK. The provisions of the bill, as I understand, are also sponsored by the President of the United States.

Mr. CONNALLY. I am not one of those who accept everything that the President of the United States approves. That argument comes with good grace from the Senator from Missouri. Is that his course here? No. I like to agree with the President of the United States; I like to be in harmony with his views; but the Senator from Texas is not the kind of Senator who feels that it is his duty to divest himself of his own responsibility and his own conscience and his own duty to his people to vote as he thinks he ought to vote here in the Senate of the United States.

The Senator from Missouri is greatly comforted by the thought that the President of the United States and he agree on this subject. He has not had that comfort very often since the present administration has been in power, judging by some of his votes in this body.

Mr. President, the Senator from Missouri says, "Why, this authority is as clear as the noonday sun." Let us see.

Why do not the Munitions Committee go back and investigate the Spanish-American War? They have as much right to investigate the Spanish-American War as they have to investigate the World War. Why did we enter the Spanish-American War? Did not the bankers drag us into it? Did not the great sugar interests in New York, owning sugar plantations in Cuba, bring us in?

Why do not these investigatory individuals, these marvelous experts, go back and settle the causes of the War between the States? You know, we have been debating for about 75 years the causes of the War between the States, and we never yet have agreed on them. Here is the Senator from Massachusetts [Mr. COOLIDGE], good Democrat that he is. I doubt if he and I could ever agree as to the causes and the justice and right of the outcome of the War between the States. That is a matter which the Senate ought to investigate. We ought to know what really produced and brought about the War between the States.

It will be remembered that there was once a war with Mexico. Why can we not have this committee look into that matter? It is a very serious thing. Of course, the Senator from California [Mr. McADOO], who sits before me, would object, no doubt, because if it had not been for the Mexican War he would be living down in Mexico, eating frijoles and hot tamales. [Laughter.] As a result of the Mexican War we acquired New Mexico, Arizona, California, Nevada, Utah, Oregon, and part of Idaho and Wyoming. But really we ought to go back and see about that, and get the real truth as to what brought about the war between the United States and Mexico.

Did Senators ever stop to think about what produced the Revolutionary War? [Laughter.] Have they ever really deliberated properly upon the great issues that were involved? If they will remember, they will recall that old Benjamin Franklin spent a great deal of his time in Paris; negotiating with whom? With munition makers, with this man whose name we see connected with the Du Ponts—de Nemours. It was the ancestor of the Du Ponts from whom the American Colonies bought some of their munitions in France during the War of the Revolution. In God's name why does not the committee go back and find out the truth about that, and bring it back and give it to us, so that we can legislate on munitions? In these trying, troubled days of the Republic, we ought to know more of the birth pains of this great old Republic of ours, in order that we may know why the Revolutionary War was fought, who brought it about, and how it resulted.

Of course, Mr. President, that is all persiflage; but it shows how ridiculous is the claim of this committee that carrying out subsection (b), because it authorizes it to investigate existing laws with relation to munitions in America, it should go out and smell around to find what happened 18 years ago; to go around every chancery and every old musty file of the State Department and walk down every whispering gallery in Europe and in America and dig up all of the gossip and all of the diplomatic chicanery of which it can find record in an effort to besmirch America's own records in the World War.

If the clerks have gotten the volume containing the proceedings of the Congress showing the vote at the time of the World War, I shall ask them to bring it to me. The Senator from Missouri said I had been very indolent and had not given proper attention to the Munitions Committee, that if I had just thrown aside everything else and had devoted myself to the wonderful and marvelous achievements of the Munitions Committee I would have been a much better Senator. I know I could make a much better Senator doing differently from what I have been doing, but with these industrious Senators on the committee, we have imposed this great responsibility on them.

The rest of us humble men—we men who do not get our names in the papers often; we men who have to devote ourselves to the details of looking after our constituents back at home and try to represent their interests now and then, instead of our own—have vested this responsibility with the Committee on Munitions; and, in all good conscience, I submit to the Senator from Missouri that he should not expect me to devote all of my time to the Committee on Munitions, because I do not think even they do that. I do not think the Senator from North Dakota devotes all of his time to it. I see that he flies over the country in an airplane and delivers a speech somewhere in order to prevent war; then he rises like the great soaring eagle and alights over yonder

and makes another speech. Of course, he cannot be laboring in a committee while he is doing that—unless he does it by remote control. [Laughter.]

Mr. President, I wish to call the attention of the Senator from Missouri to the CONGRESSIONAL RECORD for April 5, 1917, the proceedings of the House of Representatives, where is set forth the language of the resolution declaring war. I remember it, because that was the first vote I had to cast when I came to the House—a vote on the declaration of war. I was placed on the Committee on Foreign Affairs, and I had to vote on it before Congress itself voted.

Mr. President, I never faced a vote that gave me so much concern, or made me search my conscience and my heart, as that vote did. We did not approach it frivolously; we approached it with all of the solemnity of men realizing that by that vote we would either plunge this Nation into war, and, perhaps, send out upon the scarlet field of battle his fellow citizens, or that we would put this country in the position before the world of being unwilling to protect its own citizens, being unwilling to vindicate their rights on the high seas, being unwilling to stand up and vouch for American commerce and American lives.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. Does the Senator recall whether or not anything was written in the Versailles Treaty as to the intentions of the United States concerning the rights of commerce and the freedom of the seas? I think the Senator will search that document in vain for one single word about the intentions of the United States.

Mr. CONNALLY. What has that to do with this?

Mr. CLARK. It has a great deal to do with it.

Mr. CONNALLY. What has it to do with it?

Mr. CLARK. It has a very great deal to do with it.

Mr. CONNALLY. For the information of the Senator, I shall say that the United States and practically all the other countries, before the war and since the war, have contended for the principle of the freedom of the seas. I shall say to the Senator from Missouri, however, that in time of war whatever nation has a navy big enough and strong enough and courageous enough to control the seas, dictates what contraband shall be, and, of course, to that extent interrupts the freedom of the seas. But is that any reason why, because some strong and militant power denies her citizens their unquestioned right under international law, simply because a big, bad bully comes to town and starts to shoot, we should go home, lock the door, and crawl under the bed? I deny it.

Mr. President, I apologize to the Senate for the consumption of its time. I invite the Senator from Missouri to reread the declaration of war with Germany; to reread the thrilling and stirring messages which Woodrow Wilson sent to the Senate and to the House of Representatives, cataloging the outrages and the wrongs which had been inflicted upon his and my country; to read the debates of men who were, under their oaths, to represent their constituencies and to perform their public duties. That is a solemn and a splendid chapter in the history of parliamentary government in the United States. Let us leave it alone. Let us not sully it. Let us not smear it all over with slime, bedaub it with personal or partisan hate or poisonous epithets, after 18 long years.

Woodrow Wilson's body sleeps out yonder in the great cathedral, but his spirit stands today among the great figures of history. I remember a story about Stonewall Jackson: It was said that after he had been wounded at Chancellorsville, lingered a few days, and then died, a great state funeral was held for him, and his body lay in state. His officers came by and took one last long look at their dead chieftain.

Finally one young lieutenant, in a ragged gray jacket, approached the bier, came to salute, and said, "Great General, I salute you. I was with you at the First Battle of Manassas. I followed your plume in the Shenandoah Valley. I was with you at Cedar Mountain and at Antietam. I was with you in the Peninsular campaign and those seven

desperate days before Richmond." He said, "Great General, if thou art now with Caesar and with Hannibal and with Napoleon, tell them that your soldiers still know how to make war."

Mr. President, the spirit of Woodrow Wilson is now with the great figures of the past, but some of us who loved him, some of us who honored him, are unwilling to stand mute in the presence of his traducers and those who would heap ignominy upon his memory.

Mr. CLARK. Mr. President, the Senator from Texas is entirely mistaken in saying that I ever accused him of being indolent or of neglecting his duty. I said only, and I say only, that while the Senator always speaks brilliantly and eloquently, frequently with great wit, he would speak much better on any occasion if he knew what he was talking about. [Laughter.] I say only that the Senator from Texas could speak with much greater effect as to the course taken by the Munitions Committee if he knew what the Munitions Committee had been doing.

Mr. CONNALLY. We should all be very glad to know what they have been doing with that \$125,000.

Mr. CLARK. If the Senator will read the record, he can find out. The Senator can find out by going to the disbursing office of the Senate. He can find very voluminous results of the investigation by reading the record instead of talking about it. I say the Senator could speak much more eloquently, possibly with as much wit, and certainly with much more force, if he were familiar with the subject about which he has been talking.

Mr. CONNALLY. The Senator from Texas is familiar with the record.

Mr. CLARK. Let me say to the Senator from Texas that a considerable amount of time has been taken up in the Senate with reports of the Munitions Committee, and a considerable amount of time will be taken up in the future. The Senator from Texas prefers to speak without the record. He prefers to indulge in persiflage—

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. CONNALLY. I rose to discuss what happened in the Munitions Committee yesterday. I went to the committee and asked for the record. They said it would not be ready for 2 or 3 days. I had, therefore, to take the secondary evidence, the next best evidence, which was the newspaper account, and which is undenied.

Mr. CLARK. The Senator can secure the stenographer's notes. Let me say to the Senator that the galley proofs will come out in 2 or 3 days. If the Senator from Texas desires at any time to refer to and view the stenographer's notes, I shall be glad to see that he gets them.

Mr. CONNALLY. I shall be glad to have just that much—just the few words—of what the Senator from North Dakota [Mr. Nye] said about Mr. Wilson.

Mr. CLARK. Any member of the committee will be glad to see that the Senator gets the notes.

The Senator from Texas, as I started to say, prefers to indulge in persiflage by talking about the Civil War, and the War of 1812, and the Mexican War, and the Revolutionary War rather than to come down to the cold facts of the record as they have been produced before the Munitions Committee.

Mr. President, I say it is no reflection on Woodrow Wilson, or Robert Lansing, or any Member of the House or Senate who voted for the declaration of war, to put into the record the cold documents and the cold facts as to the course of conduct and the surrounding circumstances which dragged the United States into the war in 1917.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CLARK. I will yield in just a minute.

I will say further, Mr. President, that the neutrality laws of the United States having been until last August precisely what they were when the war broke out in 1917, there is no way on the face of the earth by which the Munitions Committee can so intelligently provide the basis for intelligent action by the Senate and the House of Representatives, looking to the future neutrality of the United States and

the prevention of future wars, as by the study of all the surrounding circumstances which led us into the war in 1917. I say there is no way on earth by which the Munitions Committee could so efficiently carry out the mandate of this body as by going into the surrounding circumstances of those unhappy events and putting them, without fear or favor, into the record, so that he who runs may read, and so that any Member of this body or of the House of Representatives may draw his own conclusions therefrom.

If the Senator from Texas considers that that is dragging the grave clothes from any man, if the Senator from Texas considers that there are events which should be kept secret, that there are events which the Congress of the United States should not be permitted to know in formulating future neutrality legislation, or that the public of the United States should not be permitted to know in making up its mind about future neutrality legislation, then the Senator from Texas is entitled to his opinion; but I beg to differ with him fully and wholeheartedly.

I now yield to the Senator from Texas.

Mr. CONNALLY. I thank the Senator. I do not wish to trespass on the Senator's time, but there is one thing I desire to ask him. He says that it is perfectly proper—and I am not discussing that with him—to put these documents into the record. Was the Senator present yesterday when the Senator from North Dakota [Mr. Nye] was present, as the newspaper report says?

Mr. CLARK. I was.

Mr. CONNALLY. The Senator from Missouri was the one who put the documents into the record, as I recall?

Mr. CLARK. Yes.

Mr. CONNALLY. The comment of the Senator from North Dakota was not a document, and it was not a record. Did the Senator from North Dakota say, as attributed to him in the newspaper, from which I quote?—

Then Wilson and Lansing lied.

Mr. CLARK. The Senator from North Dakota did not say that.

Mr. CONNALLY. What did he say?

Mr. CLARK. So far as I can recall the expression used by the Senator from North Dakota—I shall not undertake to quote him verbatim—what he said, in effect, was that President Wilson and Secretary Lansing had falsified the record.

Mr. CONNALLY. Had falsified the record?

Mr. CLARK. Had falsified the record. That is my recollection.

Mr. CONNALLY. He said they had falsified the record?

Mr. CLARK. Yes.

Mr. CONNALLY. In what respect, if the Senator had the documents there, had they falsified the record? Had they erased something, or inserted something, or how had they falsified the record?

Mr. CLARK. I shall have to ask the Senator from North Dakota to answer that question. I concluded that he made that remark on the basis of the fact that the record before the committee indicated that knowledge of the secret treaties between the Allies had been conveyed to the United States Government shortly after the entrance of the United States into the war in 1917, and that subsequently, at the end of the war, in his appearance before the Foreign Relations Committee of the Senate, the Secretary denied such knowledge.

Mr. CONNALLY. Does the Senator from Missouri know a correspondent on the Washington Herald by the name of Don Ewing?

Mr. CLARK. Yes. I paddled him when he was a freshman at George Washington. [Laughter.]

Mr. CONNALLY. The Senator paddled him when he was a freshman, but now he is not a freshman. Mr. Ewing says:

As this developed, NYE turned to CLARK and said: "Then it is clear that both President Wilson and Secretary Lansing lied when they stated from time to time they had no knowledge of these secret treaties."

Mr. Ewing says that occurred, and the Senator from Missouri says it did not occur.

Mr. CLARK. The Senator from Texas is as familiar with newspapermen as am I; and he is also familiar with the fact that in giving a running account of a hearing or a debate in the Senate, in undertaking to report exactly what happened, newspapermen frequently paraphrase the expressions, or put words into the mouths of men—either Senators or otherwise—which are not exactly what they used. I acquit Mr. Ewing of any intention of misquoting the Senator from North Dakota, but my own recollection is not in accordance with Mr. Ewing's report.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PITTMAN. I am satisfied to have voted for the resolution under which the committee has acted. I realized that valuable information could be obtained under it. However, I cannot understand how the documents introduced yesterday by the Senator from Missouri which started this debate could in any sense be material to the investigation.

Mr. CLARK. Mr. President, I repeat what I said to the Senator from Texas a little while ago—that the Munitions Committee was instructed to report upon the adequacy or inadequacy of existing legislation, and there is no finer laboratory test of the adequacy or inadequacy of existing legislation than the record of events which transpired during the World War, and prior to our entrance into it, which resulted in the United States drifting into a state of war which has left us holding the sack with billions of dollars of allied loans on our hands.

Mr. PITTMAN. As I understand from the press reports—if I am incorrect in my understanding, I should like to be corrected—certain statements were recorded by Mr. Balfour in his diary with relation to some conversations he had with President Wilson following a dinner at the White House after we went into the war.

Mr. CLARK. That is entirely correct.

Mr. PITTMAN. In those statements, Balfour is alleged to have stated that the President was fully familiar with the arrangements between the Allies as to what would probably take place after victory, if it happened. Then Lloyd George in his book confirms the diary by stating that he had a conversation with Balfour in which Balfour said that was the conversation he had with Wilson.

Mr. CLARK. That is perfectly correct.

Mr. PITTMAN. Mr. Lansing testified before the committee that the administration did not know anything about those treaties.

Mr. CLARK. I will say further, for the edification of the Senator from Nevada, that I also placed in the record documents from Ambassador Walter H. Page in London, Ambassador Thomas Nelson Page at Rome, and Ambassador Francis at St. Petersburg, in greater or lesser degree putting the United States on notice as to those secret treaties, and also certain extracts from the diary of Colonel House indicating knowledge of the treaties on the part of the then administration.

Mr. PITTMAN. That is not material. I am simply getting a picture of the weight of this evidence. We were already in the war when this information came to the President, if it did come to the President. We were in the war; so the information had nothing to do with getting us into the war.

Mr. CLARK. That is perfectly true.

Mr. PITTMAN. I do not mean to say that Balfour did not have certain things in his diary, and that Lloyd George did not confirm them. I do not say that Page's letters are not true. However, I do not believe the evidence discloses that the President knew what was in those treaties.

Mr. CLARK. I will say to the Senator from Nevada that as chairman of the Foreign Relations Committee and having access to the State Department documents, he can very readily satisfy himself on that point.

Mr. PITTMAN. I am talking about the evidence which the Senator introduced. It does not show that the President knew what was in those treaties. It may be evidence that he knew there were treaties between the Allies. Be that as it may, that is the evidence the Senator introduced. It is

in regard to something which came to the President's attention after we were in the war. Therefore, it could have nothing on earth to do with taking us into the war.

Mr. CLARK. Let me say, if the Senator will permit me, that that matter was put into the record, as I stated in putting it in, for the purpose of showing that whatever may have been the aim of the United States in entering the war, once in the war we were committed to the status quo which would be maintained by our allies; and that after we were in the war, no matter what may have been our purpose in joining our new allies, we were forced, willy-nilly, to go along with our allies in those matters concerning which treaties had been made.

Mr. PITTMAN. If the Munitions Committee was authorized to investigate what was the effect of going into a war which already existed, I can see where it would be material, because it would prove that when we joined the warring forces we would indissolubly be tied with them.

Mr. CLARK. Mr. President, the Senator from Nevada may say that the Senate intended the Munitions Committee to go right up to the declaration of war, but that it should be unable to follow to their logical conclusion the steps which led us into the war, as showing how we were led to make vast advances to the Allies which have never been recovered. If he can do that, he is entitled to that view. I cannot conceive that the Senate intended any such fruitless purpose; that with the whole train of consequences the study should be stopped as of the date of our declaration of war.

Mr. PITTMAN. What legislation would the Senator suggest to prevent a President, after our Government had joined in a war with several allies as we did in 1917, from being told about treaties into which they had already entered?

Mr. CLARK. I have no desire to prevent the President being told about their having treaties. The Senator from Nevada evidently does not understand the trend of the whole proceeding. It seems to me of highest importance, in studying the basis for legislation to keep us out of war, to consider also what happened to us after we got into the war, how the purposes for which we entered the war may have been frustrated, how the United States was compelled to change completely its position and bear practically the whole cost of the war, and how ultimately, instead of accomplishing the purposes which President Wilson had so eloquently set out on many occasions, particularly in his 14 points, secret treaties of which he had no knowledge until we had entered the war came up to thwart and frustrate those purposes.

Mr. PITTMAN. Of course, if the Senator is trying to prove that war is a very disastrous thing, I do not think he needs any evidence—

Mr. CLARK. We are trying to show exactly what happened.

Mr. PITTMAN. Let me finish the sentence, if the Senator please. If the Senator is trying to prove that war is a very disastrous thing, and that particularly war is disastrous when our Government combines with the governments already in the war, we must admit it. If the Senator is trying to prove that, when we are forced into a war as the allies of somebody else because of circumstances, it is always an unfortunate circumstance and we are always liable to suffer by reason of the acts of our allies; everybody knows that. But if he conceives that the Senate, under that resolution, wanted his committee to investigate every detail of the horrors of the war, every detail of the result of the war, every detail of the treaties of peace that were made, for the purpose of recommending legislation to this body with regard to munitions, then I say the work of the committee would be interminable. It would have to enter into an historic work which might take 20 years or more, with a very much larger force than the committee now has. There is no legislation which he can suggest here that would prevent that very thing occurring which he said did occur.

Mr. CLARK. Permit me to suggest, so far as the work of the Munitions Committee is concerned, that if it never does

anything else or never has done anything else, at least the investigation of that committee has resulted in the Senator from Nevada introducing, as an administration measure, a very far-reaching neutrality bill.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Missouri yield further to the Senator from Nevada?

Mr. CLARK. I yield.

Mr. PITTMAN. I think the Senator from Missouri is attempting to compliment me, and I desire to thank him; but I think he is complimenting himself more highly than he is the Senator from Nevada in saying that the work of the Senator from Missouri is responsible for the thoughts of the Senator from Nevada. I think I discussed neutrality for years before I ever heard of the Munitions Committee.

Mr. CLARK. Undoubtedly the Senator from Nevada has discussed neutrality on many occasions, but it was not until after certain resolutions were introduced as a result of the investigation of the Committee on Munitions—and, as a matter of fact, after the filibuster was started by members of the Munitions Committee at the close of the last session—that any action was taken. I am very happy to have the Senator from Nevada introduce the measure and take charge of it, and particularly happy to have it introduced as an administration measure; but I submit that if it had not been for the filibuster started by members of the Munitions Committee in the last days of the last session, probably that legislation never would have come into this body.

Mr. PITTMAN. I did not know the Senator from Missouri had that idea. I knew the Senator from North Dakota [Mr. Nye] had it because the night we adjourned, when he spoke over the radio, he said the Munitions Committee had forced the Foreign Relations Committee to act. I wish to say that before the filibuster took place the Foreign Relations Committee had already directed me to report that measure. I am perfectly confident that members of the Munitions Committee knew it had been ordered to be reported and started the filibuster for the purpose of getting credit for having done something that they did not in fact do.

Mr. CLARK. I desire to absolve myself of any such purpose. The Senator from North Dakota and I appeared before the Foreign Relations Committee on several occasions. It was understood Congress was going to adjourn in the next 2 or 3 days, which was the occasion for the filibuster. I have no desire whatever to rob the Foreign Relations Committee or the distinguished Senator from Nevada of any credit for neutrality legislation. I hope he will ask to have it taken up at a very early date and push it to a final conclusion.

Mr. PITTMAN. I am sorry the Senator from Missouri said that, because if we report that bill during the coming week he will charge us with having been forced to that action by his statement.

Mr. CLARK. If it will interfere with the Senator from Nevada taking prompt action in reporting an administration measure of that sort, I will withdraw the statement, because I would not have the Senator from Nevada have any reason not to report such an administration measure and push it to a successful conclusion.

Mr. PITTMAN. I have never attacked the Munitions Committee. I realize that their work in investigating war profits and investigating the munitions question has been quite pertinent and quite valuable. I have not believed that it was within their jurisdiction to go into a great many matters which they have investigated. As I have said, I cannot quite see how the evidence which the Senator has just put in the Record is at all material or how it will aid him in the formulation of any legislation to be proposed to this body.

So far as the Foreign Relations Committee is concerned, I wish to speak for the members of the committee and not for myself. A bill was introduced by the Senator from Missouri and the Senator from North Dakota [Mr. Nye]. It was considered by the President of the United States when the Senator from Missouri and the Senator from North Dakota

and myself were present. It was fully discussed there. There were some questions which were not definitely agreed upon, but in substance it was agreed upon. At that time I introduced in behalf of the administration, as I have at this session, a bill which contained some of the important provisions of the other bill. The committee proceeded immediately to the consideration of both bills. I think the Senator knows that we were in session nearly every day for 2 weeks—at least every other day. The Senator from Missouri complimented us upon our energy in the matter.

Mr. CLARK. I repeat that compliment.

Mr. PITTMAN. We took the Senator's bill and the administration bill and wrote another bill embracing the ideas of both bills as nearly as we could.

Mr. CLARK. That is entirely correct.

Mr. PITTMAN. There was no delay in the committee. Even those who opposed it did not delay its consideration. The Senator from Illinois [Mr. LEWIS] opposed it, but he did not delay its consideration. He attended every meeting, and we met every day until we had other committee meetings to attend, and then we met every other day, and inside of 2 weeks we reported the bill. We have other bills for consideration in the same way now. We have already had four meetings. We are to have another meeting tomorrow morning.

It is the intention, already expressed, of every member of that committee, whether he agrees with the bill or not, to report it at the earliest possible moment. I do not want the Senator to think that the committee is delaying the matter in any way. I am not speaking for myself because the Senator knows I favor this kind of legislation. I am speaking for those on the committee who do not favor it. They have never yet attempted in any way whatever to obstruct a report on the bill.

Mr. CLARK. I intended no such suggestion as that. Everything the Senator from Nevada says in that regard is entirely correct. My suggestion as to the filibuster went merely to the point that it had been announced that adjournment would be had in 2 or 3 days, without any suggestions, so far as the program of the Senate was concerned, of consideration of neutrality legislation.

I had not thought then, nor have I now, of reflecting on the Foreign Relations Committee, and certainly not on its distinguished chairman, with reference to the consideration which was given to that legislation. As the chairman suggests, I personally appeared at four or five hearings before the Foreign Relations Committee while the matter was under consideration.

Mr. PITTMAN. I wish to say, however, because possibly it is not generally known, that on the morning of the filibuster—which started at noon and lasted 2 or 3 hours—before the filibuster, the committee had voted to report the bill, and I was authorized to make certain corrections in it which the committee desired made. Those corrections were being typewritten, and when some of the members of the Munitions Committee were filibustering the report on the bill was being finally drafted, and the bill was reported to the Senate while the filibuster was going on.

Mr. CLARK. The Senator from Nevada undoubtedly is aware of the fact that the filibuster started because of the statement to the newspaper men at large, out here in the President's room, by a very high ranking officer of the majority of the Senate, that there would be no neutrality legislation at that session of Congress.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. CLARK. I yield to the Senator from Illinois.

Mr. LEWIS. I seek information, not only as a member of the Foreign Relations Committee but as a Member of the Senate.

I observe in the discussions between the Senator from Texas and the Senator from Missouri, each eminent in his place, that the resolution under which the munitions committee are acting, among other authorizations, gives them authority to investigate existing treaties. May I ask the

able Senator from Missouri whether the munitions committee regards or treats the treaties which connected us with the war and its operations as still existing treaties, despite the assumption that those treaties were dissolved in the peace treaty at Versailles and the general peace arrangements between our country and the Allies and the enemies?

Mr. CLARK. Certainly not, Mr. President. The only references to treaties which bound the United States to its Allies have been in connection with the study of the war itself, and the steps leading up to it. So far as I am advised, nobody contends for a moment that the treaties to which the Senator refers are still in force and effect.

I may say that a typical illustration of the study of treaties which has come up in connection with the munitions investigation had to do with the treaty which we found with one South American country, for instance, which prevented the President of the United States from imposing an embargo on the exportation of arms to that country when he so desired to do, simply because of a provision to that effect in a treaty some 70 years old. As a result of that investigation, the Munitions Committee now has pending in this body a resolution authorizing the President to denounce that treaty.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Kentucky.

Mr. BARKLEY. This discussion was precipitated by the Senator from Texas [Mr. CONNALLY] because of an article in a newspaper this morning attributing to the chairman of the Munitions Committee the statement that Woodrow Wilson had lied. The recollection of the Senator from Missouri is that the chairman of the committee did not say that. I should like to inquire if the chairman of the committee at the session today called attention to any misquotation on the part of the press and asked that it be corrected?

Mr. CLARK. Not so far as I am advised.

Mr. BARKLEY. Let me ask another question, purely for information, because the statement has been dropped in here in connection with the amount of money expended by the committee that after the \$125,000 had been exhausted, or was approaching exhaustion, some arrangement was made by which a relief project of the State of New York was made available for the investigation of the committee. Does the Senator know about that?

Mr. CLARK. I will say to the Senator from Kentucky that I am not very familiar with that; but I am advised that during the past winter a Work Relief project for clerical workers was established in the city of New York, and that certain persons from the Work Relief project were turned over to the investigator of the Munitions Committee simply for the purpose of copying records, and that sort of thing.

Mr. BARKLEY. Were they persons who were in New York or in Washington?

Mr. CLARK. They were persons who were in New York, and were already engaged on the Work Relief project.

Mr. BARKLEY. Does the Senator know what their employment cost?

Mr. CLARK. I have no information whatever about that; but I was advised that certain clerical assistance had been rendered by the Work Relief Administration to the munitions investigation.

Mr. CONNALLY subsequently said: Mr. President, it developed in the discussion this afternoon that the Munitions Committee has only \$400 left in its treasury. I wish to serve notice here and now that the Senator from Texas and quite a number of other Senators are going to take whatever action is possible to see that no deficits are created by that committee. I wish to give public notice now that the Munitions Committee had better not spend any more money than they have been authorized to spend, because, if we can prevent it, they are not going to get any more.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I take it the Senator from Texas has a right to take any action on legislation he pleases as an individual Senator, but not to speak for the Senate of the United States.

Mr. CONNALLY. I did not undertake to speak for the Senate. I am speaking for myself and several other Senators with whom I have consulted; and I serve notice now that if the Munitions Committee comes here with a great big wad of deficits under the plea that "these poor workers" have to be paid, if we can prevent it they are not going to be paid. The committee have \$400. Let them spend that \$400.

Mr. CLARK. Mr. President, that remark on the part of the Senator from Texas is entirely uncalled for. The Munitions Committee has never turned up here with a great big deficit. That is entirely a gratuitous remark on the part of the Senator from Texas.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. GORE. Mr. President, I should like to ask the Senator from Oregon [Mr. McNARY] if he thinks, in the light of the debate which has just taken place, the Senate is ready to vote on the pending bill at this time?

Mr. BARKLEY. I will say to the Senator from Oklahoma that the Senator from Oregon is not on the floor at the moment.

Mr. McNARY entered the Chamber.

Mr. GORE. In view of the return of the Senator from Oregon, I desire to renew my request for unanimous consent that the unfinished business may be temporarily laid aside and its consideration resumed and pursued to final disposition when the bonus bill shall have been disposed of. I will say to the Senator from Oregon that I am sure the debate will not last very long. There are three Senators on the other side who desire to be heard briefly and one or two on this side. I wish to dispose of the bill.

Mr. McNARY. Mr. President, that carries out the purpose I suggested earlier in the day. It throws the discussion over until another day. I shall make no objection to a unanimous-consent agreement that we may temporarily lay aside the unfinished business until we shall have concluded the discussion of the bonus bill and had a vote upon it.

Mr. BARKLEY. Mr. President, I suggest that the language of the unanimous-consent agreement be such that it will not carry a mandatory requirement that we shall take up the Panama Canal bill on the same day on which the consideration of the bonus bill shall be completed.

Mr. McNARY. Oh, no; that would not follow.

Mr. BARKLEY. It might be late in the day.

Mr. COSTIGAN. Mr. President, reserving the right to object, it would be a convenience to the sponsors of Senate bill 3398, and it is our understanding that it would also be a convenience to the Senators from Illinois who are opposed to that measure, if the special order which appears on the face of the printed calendar of business for today may be made the second order of the Senate's unfinished business. It is developing that one unanimous-consent agreement after another is pushing the special order of the Senate further and further down the parliamentary line on the face of the printed calendar.

So far as the sponsors of the bill are concerned, there is, of course, no objection to laying aside the special order if more pressing public business requires that course; but it does appear unfair to have an unintended displacement of the special order. The Senate is never consciously unfair in such matters, nor are the able Senate leaders on either side. Therefore, it is suggested that if we may have an understanding now that the special order may follow the unfinished business relating to the measure of the Senator from Oklahoma [Mr. GORE], as a second and similar unanimous-consent agreement for unfinished business, it will prove a convenience, I think, to all concerned.

Mr. GORE. I have no objection to that.

Mr. LEWIS. Mr. President, as the Senator from Colorado has stated, the Senators from Illinois are opposed to this measure; but as the Senator from Colorado desires that

some formal postponement of it be made under some order of the Senate, and intimates that he assumes such a course would not be objected to by the Senators from Illinois, I desire to say, as to myself, that I am willing to have an indefinite postponement of the matter or to have the whole measure laid on the table. Since neither course is proposed by the Senator from Colorado, however, I desire to have him understand that I shall gladly cooperate in whatever will meet the convenience of himself and his colleague and conform to the order already entered.

The PRESIDING OFFICER. The Chair suggests that some Senator state the terms of the proposed unanimous-consent agreement, so that it may be submitted to the Senate.

Mr. BARKLEY. Mr. President, reserving the right to object, I desire to make a statement.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. Does he yield to the Senator from Kentucky?

Mr. GORE. I yield.

Mr. BARKLEY. In the absence of the Senator from Arkansas [Mr. ROBINSON], let me say that the Senator from Colorado mentioned the status that might be assumed by his bill in the event the agreement already suggested about the bill of the Senator from Oklahoma should be entered into. Subject to any contingency that may arise some time next week with respect to emergent or more important legislation, I think it is entirely desirable that following the bill of the Senator from Oklahoma unanimous consent be given to take up the bill of the Senator from Colorado; and such an arrangement is entirely satisfactory to me. I do not believe the Senator from Colorado made the request. I will make the request in addition. Probably it should not be complicated with this other matter. We can agree on the pending matter and then submit the other request.

Mr. GORE. The suggested arrangement will be entirely satisfactory to me. My purpose is to arrive at some sort of understanding with regard to the unfinished business.

Mr. McNARY. Mr. President, when the Senator from Oklahoma presented his bill on Monday I objected to a final vote on that day, but asked that consideration of the measure might be carried over until Thursday, which is today. The lateness of the hour now will prevent a full discussion of the bill, and, speaking, I think, for the Republican Members of the Senate, I am willing that we start in tomorrow with the bonus bill, and at the conclusion of the consideration of the bonus bill that the unfinished business may follow, in turn to be followed by the special order, the bill sponsored by the Senator from Colorado. I am willing that that sort of an agreement be made.

Mr. BARKLEY. I submit the following request for unanimous consent, that the unfinished business be temporarily laid aside, to be resumed as the next legislative business to be considered by the Senate following the disposition of the bonus bill, and following the disposition of the unfinished business to which I have adverted, that the measure referred to by the Senator from Colorado may be taken up for consideration.

Mr. GORE. Mr. President, the request is satisfactory to me, and I hope it will be agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DUFFY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported adversely the nomination of Charles O. Yelverton to be postmaster at Bay Springs, Miss., in place of F. C. Shoemaker.

He also, from the same committee, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the following nominations:

Victor F. Ridder, of New York, to be administrator in the Works Progress Administration for the city of New York, the office to which he was appointed during the last recess of the Senate;

Denis J. O'Mahoney, of New Jersey, to be State engineer inspector for the Public Works Administration in New Jersey;

Andrew H. Peterson, to be director of the Public Works Administration for Massachusetts; the office to which he was appointed during the last recess of the Senate;

Robert M. Van Petten, of North Dakota, to be State engineer inspector for the Public Works Administration in North Dakota and South Dakota, the office to which he was appointed during the last recess of the Senate;

Leslie D. Gates, of Iowa, to be State engineer inspector for the Public Works Administration in Iowa;

Julian Montgomery to be director of the Public Works Administration for Texas, the office to which he was appointed during the last recess of the Senate;

Cal A. Ward, of Kansas, to be a regional director of the Resettlement Administration, the office to which he was appointed during the last recess of the Senate; and

E. A. Pynchon, of Florida, to be State administrator in the Works Progress Administration for Florida, to which office he was appointed during the last recess of the Senate.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nominations of sundry officers in the Coast Guard.

Mr. JOHNSON, from the Committee on Naval Affairs, reported favorably the nomination of Brig. Gen. Louis McC. Little to be a major general in the Marine Corps from the 27th day of July 1935; and also the nominations of sundry other officers in the Marine Corps.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE CALENDAR

The legislative clerk proceeded to read Executive E, the international convention of the Copyright Union as revised and signed at Rome on June 2, 1928.

The PRESIDING OFFICER. Under a previous agreement, the treaty will go over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

BOARD OF TAX APPEALS

The legislative clerk read the nomination of John A. Tyson, of Mississippi, to be a member of the Board of Tax Appeals.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverston, of New York, to be Acting Executive Director of the National Emergency Council.

Mr. COPELAND. Mr. President, may I ask by what committee this particular nomination was reported?

The PRESIDING OFFICER. The Chair is advised that it was reported by the Committee on Finance.

Mr. COPELAND. I ask that the nomination go over temporarily. I am not advised about it.

The PRESIDING OFFICER. Without objection, the nomination will go over.

BUREAU OF INTERNAL REVENUE

The legislative clerk read the nomination of Milton E. Carter, of Missouri, to be assistant to the Commissioner of Internal Revenue.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The legislative clerk read the nomination of Leo A. Ivory, of Pennsylvania, to be collector of customs for customs collection district no. 12.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas F. Mulcahy, of California, to be comptroller of customs in customs collection district no. 28.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. COPELAND. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. BARKLEY. Under the order previously entered, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate, in legislative session, under the order previously entered, took a recess until tomorrow, Friday, January 17, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 16, 1936

MEMBER SECURITIES AND EXCHANGE COMMISSION

William O. Douglas, of Connecticut, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1939, vice Joseph P. Kennedy, resigned.

UNITED STATES ATTORNEY

Ralph L. Emmons, of New York, to be United States attorney, northern district of New York, vice Oliver D. Burden, whose term expires February 27, 1936.

UNITED STATES MARSHAL

John E. Hushing, of the Canal Zone, to be marshal, district of the Canal Zone, vice John T. Barrett, term expired.

MUNICIPAL JUDGE, DISTRICT OF COLUMBIA

Robert E. Mattingly, of the District of Columbia, to be a judge of the municipal court, District of Columbia. (A reappointment, his term expiring June 16, 1936.)

CONFIRMATIONS

Executive nominations confirmed by the Senate January 16, 1936

MEMBER BOARD OF TAX APPEALS

John A. Tyson to be a member of the Board of Tax Appeals.

ASSISTANT TO THE COMMISSIONER OF INTERNAL REVENUE

Milton E. Carter to be assistant to the Commissioner of Internal Revenue.

COLLECTOR OF CUSTOMS

Leo A. Ivory to be collector of customs for customs collection district no. 12, with headquarters at Pittsburgh, Pa.

COMPTROLLER OF CUSTOMS

Thomas F. Mulcahy to be comptroller of customs in customs collection district no. 28, with headquarters at San Francisco, Calif.

PUBLIC HEALTH SERVICE

TO BE PASSED ASSISTANT DENTAL SURGEONS

Joseph J. Dunlay
Walter J. Pelton

TO BE PASSED ASSISTANT PHARMACISTS

Carl Stier	Clarence H. Bierman
Raymond D. Kinsey	Thomas C. Armstrong
Walter H. Keen	

TO BE PASSED ASSISTANT SURGEONS

Victor H. Haas	Leroy E. Burney
Clifton K. Himmelsbach	Harold L. Lawrence
Ralph R. Braund	Charles R. Mallary
Hollis U. Maness	Don S. Cameron
Kenneth E. Gamm	Bert R. Boone
John W. Oliphant	Gerald M. Kunkel
Seymour D. Vestermark	

TO BE ASSISTANT SURGEONS

Dr. John W. Kennedy	Dr. Wilson T. Sowder
Dr. Havelock F. Fraser	Dr. Edward C. Lutton

APPOINTMENTS IN THE REGULAR ARMY

Maj. Gen. Malin Craig to be general while holding office as Chief of Staff of the Army.

Brig. Gen. Andrew Moses to be major general.

Brig. Gen. William Edward Cole to be major general.

Brig. Gen. Edgar Thomas Conley to be The Adjutant General with the rank of major general.

Col. Walter Lawrence Reed to be Inspector General with the rank of major general.

Brig. Gen. Oscar Westover to be Chief of the Air Corps with the rank of major general.

POSTMASTERS

ALABAMA

Bryan Whitehurst, Abbeville.
Harry E. Marshall, Orrville.

GEORGIA

Thomas W. Dalton, Alto.
Lucius Hannon, Atco.
Elizabeth H. Quinn, Barnesville.
Evelyn W. Simpson, Buford.
Jesse S. Weathers, Cairo.
Ivie B. Owen, Concord.
John Marvin Gillespie, Demorest.
Mae W. Dukes, Gibson.
Sara B. Fox, Harlem.
W. Vaughn Rice, Hiawassee.
Charlie T. Hightower, Hogansville.
Victor H. Carmichael, Jackson.
Clifton O. Lloyd, Lindale.
Walter E. Schilling, Marietta.
J. Stanley Newton, Norman Park.
Wilbur N. Harwell, Oxford.

HAWAII

Alfred K. Smith, Kealahou.

IDAHO

Ernest W. Myers, Avery.
Iva F. Madden, Cascade.
Byron E. Harris, Headquarters.
Henry B. Jones, Wilder.

INDIANA

Lawrence M. Slough, Bourbon.
Mel M. Carter, Greensburg.
Alton C. Reeves, Hope.
Frank G. Trinosky, La Crosse.

Albert Spanagel, Lawrenceburg.
Ruth D. Pommerehn, North Madison.
Millie E. Smith, Ray.
Walter H. Droege, Seymour.
Gordon O. Thurston, Shelbyville.
Charles F. Fisher, Speed.
Frank G. Sheviak, Wanatah.

MARYLAND

Kathryn T. Schaefer, Chesapeake City.
Clarence C. C. Thomas, Lilypons.
Louis E. Lamborn, McDonogh.
Katherine G. O'Donnell, Mountain Lake Park.
William D. Lovell, Jr., New Windsor.
Levin D. Lynch, Ocean City.
Mary W. Stewart, Oxford.
Maurice T. Truitt, Pittsville.
Victor F. Cullen, State Sanatorium.
John O. Crapster, Taneytown.
Philip E. Hunt, Waldorf.

MISSISSIPPI

James I. Pittman, Eupora.
Stella O. McGehee, Gloster.
John N. Truitt, Minter City.
Della A. Myers, Newhebron.
William G. Sloan, Northcarrollton.
Myra P. Varnado, Osyka.

NEW HAMPSHIRE

Ruth N. Ray, Chester.
Paul A. Richard, Hudson.

NEW YORK

Barthold C. Hadel, Amagansett.
Walter Longwell, Bath.
Thomas F. English, Elmsford.
Dennis J. Sullivan, Fort Plain.
Barbara J. Kelly, Frankfort.
James M. Dwyer, Geneseo.
Daniel F. Driscoll, Geneva.
James T. McLaughlin, Glen Head.
Jerry Burd, Greenwood.
William J. Riley, Hoosick Falls.
Thomas F. Carroll, Oriskany.
Victor S. Manchester, Petersburg.
Ethel M. Cole, Pleasant Valley.
Thomas E. Roeber, Port Washington.
Sarah C. Lounsbury, Stone Ridge.
Mabel G. Baldwin, Waverly.
Carl N. Marshall, Wellsville.
John J. Hoek, West Sayville.
Patrick A. Murphy, White Plains.

OHIO

John B. Kochheiser, Bellville.
Lee F. Beveridge, Butler.
William A. Cassidy, East Columbus.
Thomas G. Smith, Glendale.
Florence Wilcox, Hilliards.
Cecil W. Briggs, New Holland.
James L. Crawford, Orient.
Robert W. Schocke, Oxford.
Hiram L. Basinger, Pandora.
Carl H. Caris, Ravenna.
Ray M. Cartwright, Sardinia.
John Daniel O'Sullivan, Sharonville.
Clarence A. Flenniken, Smithfield.
Goldie N. Stroup, Spencer.
Howard E. Smith, Vandalia.

OREGON

Irwin D. Pike, Grass Valley.
Fred L. Hartman, Pilot Rock.
Carl W. Fegtly, Vale.

SOUTH CAROLINA

Charles A. Potter, Cowpens.
Walter C. Kay, Honea Path.
Eunice B. Hiott, Pickens.

Foster Kreps, Jr., Ridge Spring.
Adoniram J. Nicholson, Saluda.
Thomas V. Derrick, Walhalla.

TENNESSEE

Park A. Carr, Harrogate.
George A. Lester, Hohenwald.
Ernest H. Gibson, Humboldt.
Ralph K. Godwin, Jefferson City.
Ralph M. Murphy, Sevierville.
Henry E. Hudson, Whitwell.

UTAH

Melvin Lind, Midvale.
Elaine S. Peterson, Moab.

VIRGINIA

Lewis N. Glover, Berryville.
Anthony G. Simmons, Fincastle.
Ross V. Martindale, Sweet Briar.
Edward G. Newell, Veterans' Administration Home.

WISCONSIN

Carroll R. Eaton, Adams.
Marie Freeman, Bayfield.
William E. Drossart, Casco.
Frank G. Dillon, Veterans' Administration.

WYOMING

Daniel C. Carson, Pinedale.
Frank Herrington, Powell.
Claude W. Anthony, Yellowstone Park.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 16, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious and eternal God, strengthening our weaknesses, stooping to our lowliness, and lifting us up, praises be unto Thy holy name. Impart unto us that spiritual power which is immortal, and open to us the source of Thy unsearchable riches. Let us receive at Thy hands the priceless blessing of an enlarged manhood, cutting through hard human molds, and thus be made clean at our hearts. O Thou who art the great Shepherd, lead us on o'er moor and fen, desert and torrent, into the pastures of unwithering reality. Help us this day to keep the eleventh commandment of our Lord. In the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

UNIVERSITY IN EXILE

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein an article appearing in the New York Times, which incorporates a letter from the President of the United States to the president of the University in Exile.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. O'DAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the New York Times:

ROOSEVELT HAILS UNIVERSITY IN EXILE AS SYMBOL OF AMERICAN FREEDOM—PRINCIPLES OF INTELLECTUAL LIBERTY ON WHICH IT IS FOUNDED ARE DEEPLY ROOTED IN OUR TRADITION, HE SAYS IN MESSAGE ON ITS SECOND ANNIVERSARY

President Roosevelt expressed hope last night for a brilliant future for the University in Exile, formally known as the Graduate Faculty of Political and Social Science. He characterized it as symbolic of American intellectual, religious, and racial freedom.

The President's statement was contained in a letter to Dr. Alvin Johnson, chairman of the University in Exile and director of the New School for Social Research, 66 West Twelfth Street,

with which the university is affiliated. The letter was read at a dinner at the Hotel Waldorf-Astoria, at which about 300 persons interested in the institution celebrated its founding 2 years ago, after the first expulsion of Jewish and liberal scholars from Nazi Germany, and the successful completion of its trial period.

CALLED ONLY FREE GERMAN FACULTY

Prominent educators who spoke at the dinner endorsed the establishment of the university as a permanent American institution and the inauguration of a 5-year program of growth and creative work upon which it is now entering. They called it "the only free German faculty in the world." Support was asked for the financing of the 5-year program on a basis of \$75,000 a year—a total of \$375,000, of which \$150,000 has been contributed or pledged.

Dr. Felix Frankfurter, of the Harvard Law School, was toastmaster. The speakers included Dr. Johnson, Dr. George E. Vincent, formerly head of the Rockefeller Foundation; Dr. Isaiah Bowman, president of Johns Hopkins University; Hamilton Fish Armstrong, editor of the quarterly Foreign Affairs; Ira A. Hirschmann, chairman of the board of trustees of the University in Exile, and Prof. Karl Brandt, a member of its faculty, who was formerly director of the agricultural college in Berlin.

THE PRESIDENT'S LETTER

President Roosevelt's message follows:

THE WHITE HOUSE,

Washington, January 14, 1936.

MY DEAR DR. JOHNSON: Public duties unfortunately prevent my attendance at the dinner to which you have kindly asked me. But I should like to congratulate you and the graduate faculty of political and social science upon the successful completion of your first 2-year period and to tender my best wishes for a brilliant future.

The principle which is symbolized by your graduate faculty, namely, freedom of scientific inquiry untrammelled by religious or racial restrictions, is deeply rooted in the American tradition. Ever since the beginning of our Republic we have welcomed many men and women of ability and character from other countries, who had found their usefulness cut off by conditions which are alien to the American system. Some of our most famous patriots, scholars, and scientists came to this country in 1848. The whole nation has been enriched, morally and materially, through the abilities which they placed at our service.

I am particularly gratified to learn that in your graduate faculty there are representatives of the three great religions, Protestant, Catholic, and Jewish. It is one of the fundamental principles of true Americanism that all religions are entitled to equal respect. Freedom for every man to worship God according to the mandates of his conscience implies the political, social, and intellectual freedom which is the very foundation of our national life.

Your graduate faculty represents American adherence to the principle of intellectual freedom. I wish it every success in carrying, as it does, the torch of truth-seeking for the good of mankind.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

CONVENTION OF THE NATIONAL ASSOCIATION OF POSTMASTERS

Mr. BEAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to incorporate therein an address which the Honorable James A. Farley, Postmaster General, made before the convention of the National Association of Postmasters at Chicago, Ill., on Tuesday, September 24, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know whether Mr. Farley is going to continue to act as Postmaster General and as chairman of the Democratic National Committee at the same time, or whether he is going to give up one of these jobs?

Mr. BEAM. I may say to the gentleman that on September 24 he was Postmaster General.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I may say to the gentleman from Pennsylvania that certainly the Postmaster General has the right to address postal organizations.

Mr. RICH. I do not object to his addressing postal organizations, but I do not want all of his speeches inserted in the RECORD.

Mr. BLANTON. They are very informative to the gentleman, if he will just read them.

Mr. SNELL. Mr. Speaker, reserving the right to object, this is one matter in which I do not entirely agree with the gentleman from Pennsylvania. I would be willing to have the gentleman's remarks extended to also include the speech at Westchester which Mr. Farley made at the delayed Jackson Day dinner.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. FITZPATRICK. Mr. Speaker, reserving the right to object, if the gentleman from New York [Mr. SNELL] will read the RECORD of yesterday he will find that speech in there. I may say it would be well to also put in the RECORD the speech that was made by an Assistant Postmaster General in 1932 when he ordered all of the postmasters to get out and work for the Republican ticket.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BEAM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the Postmaster General, Hon. James A. Farley, before the convention of the National Association of Postmasters, Chicago, Ill., September 24, 1935:

It is, indeed, a pleasure to have this opportunity of again meeting with you in your national convention. I congratulate you on your splendid organization, which is most helpful to the postmasters and to the Postal Service.

We postmasters must be great believers in organization. It was by organization under efficient leadership that this great Government of ours was established. The effectiveness of the Government since its inception has reflected the character and ability of its many leaders. It is my proud privilege to bring to you the personal greetings of our great leader, President Franklin D. Roosevelt, whom history will record as one of the most humane and most understanding of all of our Presidents.

Many of you here received your appointments at his hands. It is my feeling that you should, and I am quite sure that you do, cherish the opportunity to serve under such capable leadership. The President has a keen personal interest in the affairs of the Post Office Department. He fully appreciates the great service that is being rendered by this, the largest and most far-reaching in its influence, of all of the Government departments.

Because the Postal Service touches the lives of all of our citizens vitally and affects the business of the Nation, it must be maintained at a high degree of efficiency, must function with clocklike regularity, and yet, must be intensely human in its management. There is no other business, public or private, that to such a great extent renders personal service. Everything that is done in the Postal Service, all of the work that is performed, is personal service to individuals.

In private business the result of efficient performance is listed among the assets as good will. It is a matter of great satisfaction to me that your efforts have earned for the Department the good will of our people.

When I was given charge of the Post Office Department I firmly resolved that its affairs would be handled in a businesslike manner; that the public would be promptly and efficiently served; that the employees would receive fair treatment; and that insofar as it was possible of accomplishment, the Department would live within its income. Thanks to the loyal cooperation and assistance of my official staff in Washington, and the faithfulness of the postmasters and postal employees, I am pleased to report that much has been accomplished in the improvement of service and in the betterment of conditions of the personnel.

At the outset we were confronted with a diminishing mail volume, decreasing postal revenues, and an excess of personnel such as had never before existed in the history of the Department. Surveys were made which resulted in the discovery of the amazing condition that there were approximately 15,000 more people on the rolls of the Department than were needed. Something had to be done about it. Obviously but two courses were open for me to follow. One was the easy way of arbitrarily dropping from the service those last appointed, thereby depriving them of a means of livelihood for themselves and their families. Such action, if taken, would have been entirely within the law and in accordance with practices that had been followed in the Post Office and in other Departments in the past. The other course, which I adopted, was to spread employment during the emergency by means of enforced furloughs and by retiring those who had grown old in the service whose efficiency was impaired and who had earned the right to an annuity. I have had no occasion to regret the decision made to follow the more humane course and I am confident that all postmasters and all postal employees were glad to do their part.

About 18 months ago there began a decided upturn in the business of the Department, and therefore furloughs were discontinued, salaries were restored, and additional benefits were provided for the workers in the Postal Service. When it seemed proper to do so, and in keeping with policies of efficient management, I recommended to the Congress and secured approval for the restoration of administrative and automatic promotions. A generous and businesslike policy has been followed in granting such promotions. This has caused an additional expenditure of several millions of dollars; it is worth it. Following this same general principle and in keeping with the objectives of the President in spreading employment, on July 3, 1935, I gave my approval to the 40-hour-week bill, which, as you know, was approved on August 14, to be effective October 1. This measure was approved just as soon as I was satisfied that the increase in postal

revenues was sufficient to care for all reasonable service requirements, and a surplus was indicated justifying increased expenditures in the interest of service and the welfare of the employees. In the administration of this new law it is my wish that the postmasters and supervisory officials in the field service exercise the same careful supervision that has been shown during the past several years. I want no waste of public money; and, above all, I want no impairment of existing Postal Service. I do feel, however, that if those of you who are charged with the responsibility of managing the post offices will give this matter careful thought you will find it possible, to a large extent, to grant the employees what was obviously intended by the law—a 5-day week. I know that it is not going to be possible to place all employees on a 5-day-week schedule. Efficient service must be continued, and, of course, we are not going to close the post offices on Saturday or any other week day; but I do want to urge you to do everything you can properly do to give the employees the full benefit of the shorter workweek.

It is also my wish that in all cases where such action is not contrary to the public interest that replacements for the compensatory time required for Saturday service be by the employment of additional regulars. The problem of the substitute who has been waiting for years for an opportunity to have a regular job is one that has given me much concern. I am convinced that our substitute problem will be solved by a proper application of the 40-hour-week law. I urge your earnest cooperation to that end.

During the last year and a half we have completely reorganized our mail transportation schedules. At this time we have the most efficient air-mail service in the world. More miles are flown daily on regular schedules, more cities are reached by the present air-mail system than at any time since air mail was established. The schedules are faster; improved equipment has been provided by the contractors, which operate at speeds that would have been considered unbelievable and fantastic a few years ago. I am proud, indeed, to have had the opportunity to take part in that development. You will be interested to know, I am sure, that this vastly improved service is being operated at a great deal less cost than an inferior service was operated for several years ago.

During the last session of Congress authority was secured for the expansion of our foreign air-mail service which will enable the Department to maintain transoceanic service. Tests have been made proving that trans-Pacific air transport service is feasible. Therefore the Department has advertised for bids for the establishment of an air line connecting California with China, with stops at Honolulu and the Philippines. This service will be established just as soon as the necessary bids can be secured and the rigid requirements of the advertisement can be met. The next step in foreign air-mail transportation, I hope, will be the establishment of such a line to connect New York with important European centers. We are living in a great age. Nothing seems to be impossible of accomplishment, and you may be assured that the Post Office Department is not going to lag, but will take full advantage of the most expeditious means of transporting the mail.

In this same connection we have also secured the approval of the Congress for the extension and improvement of the rather limited air service now operating in Alaska. So wherever a citizen of the United States may live, we will extend air-mail service to him just as soon as it is found feasible to operate air transport lines with safety and with reasonable assurance that the patronage will justify the establishment.

The support that the Post Office Department is giving to the air lines is not only for the purpose of expediting the movement of the mails, which in itself is important, but it is also for the purpose of fostering and developing air transport systems in this country and to foreign countries.

Aside from the transportation of the mail, the Post Office Department maintains the largest bank in this country—the Postal Savings—having 2,598,433 depositors doing business with 8,106 post offices and branches. The total amount on deposit is in excess of \$1,204,598,498.

We are the sales agents for the Treasury of United States savings bonds, and during the past 5 months more than one hundred and sixty million in bonds have been sold.

The Post Office cooperates with the Commissioner of Internal Revenue by the sale of documentary stamps. During the past year the collections from that source have amounted to \$2,765,226.09.

The social security law, which was approved by the President on August 14, provides that the Post Office Department shall assist in the collection of the moneys to be used for old-age pensions, etc.

Then there is the public-building program. On June 19, 1934, the Congress authorized \$65,000,000 for the acquisition of sites and the erection of Federal buildings, the entire program being placed under the jurisdiction of the Treasury and Post Office Departments acting jointly. Three hundred and sixty-one projects have been authorized under this program. In those cases where the acquisition of sites was necessary, advertisements were immediately issued and thorough investigations and reports covering all properties offered, were promptly made. These reports were carefully reviewed and selections made without delay. Within a few months after the Congress had approved this expenditure, many of the authorized projects were under construction, and plans for a large percentage of the remaining places were well under way. Within a year after the legislation was approved, plans had been completed for more than 80 percent of the projects selected, and of this number, more than 80 percent were under contract or on the market for bids.

In all the remaining cases, with but a very few minor exceptions, sites have been selected and plans are nearing completion.

Most of the projects in this group will be placed on the market for construction bids in a very short time.

Under date of August 12, 1935, a \$60,000,000 public-building program was authorized by act of Congress, under which 351 building projects will be consummated. In 285 of these cases, the acquisition of new sites was involved. The remaining projects contemplate construction on property already owned, supplemented in some instances by the purchase of additional land. By August 16 advertisements had been issued in all of the 285 cases in which new sites were necessary, and the Post Office and Treasury Departments are now engaged in the selection of properties offered in response to the advertisements.

The first site selection under this new program was made within 21 days after the passage of the legislation, which means that during that period advertisement had been issued, examination had been made of the sites offered or available by the Government agent, report had been submitted, reviewed, and acted upon. This is believed to be a record in the handling of work of this character.

Selection of sites in additional cases is proceeding expeditiously. This work, as well as that involved in the preparation of plans and specifications, will proceed with the greatest possible speed with a view to having a large percentage of the projects under the new program under construction during the coming fall and winter.

The postal income has increased since the advent of the Roosevelt administration from \$588,000,000 for the fiscal year ending in June 1932, to upward of \$630,000,000 for the past fiscal year. In this connection it should be borne in mind that the reduction in the rate for local postage from 3 cents to 2 cents has resulted in a loss of income to the Department of approximately \$21,000,000 a year. Notwithstanding this curtailment of income, the revenue of the Department for the past fiscal year, which ended June 30, 1935, shows an increase of more than \$44,000,000 over the receipts of the previous year.

Postal receipts have always been a reliable barometer of business conditions throughout the Nation. Since June 30 of this year our receipts everywhere have continued to hold their upward trend. The revenues for July and August of this year show an increase over July and August of last year of more than 8 percent. In the 12 largest cities of the country the revenue of the Department from September 1 to September 15 of this year shows an increase over the same period of last year of more than 10 percent. In my own city of New York for the first 2 weeks in September there was an increase of more than 15 percent over the corresponding 2 weeks of September of last year, while here in Chicago for the first 2 weeks of September there was an increase of more than 8 percent over the same period of last year.

This steady increase in postal receipts, of course, is gratifying to all of us in the administration. It is evidence not only of returning prosperity but also that the Department is being run on a business basis. The satisfaction we feel over the surplus indicated by the excess of the postal receipts over the expenditures for purely postal purposes is not the important thing.

I describe the surplus in this way because whenever anybody says that the Post Office Department is more than paying its way, the critics of the administration immediately declare there is an actual deficit instead of a surplus. By this they mean that if I should include among the regular post-office expenses the expenditures which the Government is making in air mail and merchant marine subsidies and the cost of free mail privileges of Congress and the various Government departments we would be in the red. Actually, of course, the air-mail subsidy is for the purpose of developing aviation. It might be properly chargeable to the War and Navy Departments or the Department of Commerce. The steamship subsidies are declaredly for the upbuilding of the merchant marine in order to afford this country adequate ships to transport its commerce and to give the Navy an adequate supply of transport and reserve vessels in the event of war. As to the free mail, I as Postmaster General have no more control of it than I have of the winds and tides. The Department is required by law to carry without charge whatever official mail the several departments of the Government choose to send. When I speak of a surplus I mean a surplus calculated under the same system of book-keeping that was followed by my immediate predecessor.

What I was talking about was the real importance of the increase in postal receipts. It means an increase in a definite ratio of the Nation's business. You have all seen the graphs and charts that the statisticians use to illustrate the course up and down of commerce and industry. Well, let me tell you that the curve of postal receipts almost exactly parallels the up-curve of prosperity during the past 3 years. For example, the net income from farm products during the calendar year 1932 was \$4,377,000,000. During the year 1934 the farmers' net income was \$6,267,000,000. I dare say the statisticians could figure out for you just what percentage in the Post Office business was the result of the farm prosperity. Industry shows the same trend. For example, I recently read that the General Motors Corporation sold more cars during August 1935 than in any previous August since that of 1929, which was the height of the boom period. During the first 8 months of this year the Ford production was up about 53 percent. I could cite statistics of the sort until you wearied of hearing them. But I am not going very far. I do want to mention that the sales of machinery, which is, of course, the basis of all manufacture, were 263 percent greater during the first 6 months of this year than they were last year. And, for a general summary, I read that nearly 400 major companies in all branches of industry were more than 18 percent over what they were a year ago.

I know a good many of our critics will suggest that the increase in receipts by business, the billion dollar accretion in bank deposits, etc., were in a measure accounted for by the emergency Government expenditures in the form of relief. I think it would be rather difficult, however, to ascribe to that source the increase in sales of cigarettes and cigars, or the circumstance that Americans this year spent \$400,000,000 more on vacations than last year, and established the greatest summer travel record since 1929, when everybody was either going somewhere or had just come back.

I have no doubt that you all have been reading a great deal about the alleged breaking down of the New Deal and the alleged unconstitutional characteristics of the legislation passed by the Congress just adjourned. You will read a great deal more of the same sort of stuff between now and election day a year hence. This sort of matter is just plain politics. You know and I know, and I think the whole country knows, that when the present administration came in our country was almost a derelict ship. Factories were idle from the Pacific to the Atlantic, farms were being lost under foreclosure proceedings in huge numbers in every State, banks were tumbling at the rate of 15 a day, credit had almost ceased to exist, and nobody saw anything but further calamity ahead.

President Roosevelt took command of the derelict craft and pulled us off the reef. The figures I quoted a little while ago tell you how far we have progressed on the road to recovery. Things are looking so fine that the old crew, in business and in politics, that led us into the shipwreck are now straining every nerve to get back in power. That is the real meaning of all the assaults on the New Deal. That is the reason that the man and corporations who begged Roosevelt to save them by any process 3 years ago are now assailing him and the methods he pursued to get them and to get all of us out of the hole. They did not worry then about the constitutionality of what he was attempting. They had nothing to say about the so-called invasion of State rights, and they were not hiring high-priced lawyers to pick flaws in the laws that meant the salvation of their enterprises.

I believe history will record this as one of the greatest, most constructive, and most successful administrations in our history. All of us have reason to be proud that we are members of this administration.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understood the plan of the majority, it was that we would immediately go into the Committee of the Whole House on the state of the Union for discussion of the pending bill. I do not want to interfere with the majority program, but it seems to me if we start general debate again there will be others who will want to speak, as well as the gentleman from Texas.

Mr. WOODRUM. I may say to the gentleman from New York that our colleague the gentleman from Texas spoke to me about getting 10 or 15 minutes. I informed him of the arrangement and he reduced his request for time. He stated he had a subject that was of some importance to discuss.

Mr. SNELL. If it is satisfactory to the majority over there, it is agreeable to me. If someone on this side wants some time, I hope the gentleman will not object.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, today I introduced a House resolution and a bill. The House resolution is very unique in that it provides for the appointment of a select committee of seven members to make an investigation for constructive purposes. No reputations will be destroyed and no one's name will be ruined. There will be no flaming headlines, such as "Congress probes" this or that. No one will hide out, because everybody will be glad to cooperate.

In England for a great many years after the war Parliament had partisan debates with reference to home-building and house-building programs. After some 10 or 15 years they have established a nonpartisan program of house building of all kinds and slum clearance, and England is going ahead much faster than the United States. It is a distinct reflection on the United States that we are not building more homes in our country; and, moreover, if we intelligently apply ourselves, we can correct the situation.

This House resolution provides for the appointment of a select committee of seven members and it is authorized and directed to conduct a constructive investigation and to make

a study and analysis of the problems of urban, suburban, and agricultural houses, slum clearance, and to further study the matter of conservation.

HOUSE OF REPRESENTATIVES CAN MAKE CONSTRUCTIVE INVESTIGATION

I want to call attention to the fact, not for the edification of the Republicans present but for common-sense reflection, that we are voting millions and hundreds of millions, and even billions of dollars, and turning these dollars over to the administrative branches of the Government, sometimes without much study or reflection. They spend the money to suit themselves; and we are always complaining that Congress has given away its rights and has abdicated its legislative functions. Here is a chance for a select committee of the House of Representatives, with four members who are Democrats and three members who are Republicans, to make an impartial, nonpartisan investigation and to accomplish something intelligent and constructive for the people of the United States.

ENGLAND AHEAD OF UNITED STATES OF AMERICA IN BUILDING

Today, in England, they are building 350,000 houses a year, 85 percent out of private capital and 15 percent out of capital of the Kingdom. In this country we are building something like 40,000 houses a year. We should build a million houses or home units a year for the next 10 years. But on the basis of our population we are building about 4 percent of what they are building today in England, which is about the size of Illinois. Therefore, it is important that the Congress should give its attention to this as a matter of grave national concern.

In the United States Government today there are something like 37 different agencies working on the problem of housing. I do not say that all of them ought to be put in one unit, but at least there should be some unification and some coordination of purpose.

I have also introduced a bill which provides for the establishment of a National Resources Board. Of course, I know that some people are going to say that this means another bureau and more salaries, but this National Resources Board will be one of the greatest things in our Government for Congress, because information can be given the Congress at all times on what this body wants to know, without having to write to 25 different departments. This National Resources Board will lead to the coordination of many bureaus and in addition to development of housing by private and public endeavor will mean the saving of money first by elimination of useless bureaus and overlapping agencies, and by promoting conservation of public resources.

WILL AMERICA WASH AWAY?

We have 1,000,000,000 acres of land in this country that is suffering from man-made erosion, and whether you are a Republican or a Democrat, you want to conserve the resources of your country and you want the people to have houses to live in. If our country washes away, or if we have no homes to live in, it will not make much difference what party you belong to.

So I ask the Congress to consider the appointment of this select committee which will not cost over \$10,000 or \$15,000, and with this money we can get valuable information concerning housing and conservation; more important, we can do the work ourselves, understand these important problems ourselves, and then legislate intelligently on the subject.

Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to put in certain documents with respect to a National Resources Board, together with a copy of the resolution and the bill to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, in submitting copies of the House resolution and bill, I will omit the formal portions, including only those sections which are important. The

numbers of the bills are shown, in order that copies may be obtained from the House Document Room.

FIRST. HOUSE RESOLUTION 395, FOR SELECT COMMITTEE (SECOND PARAGRAPH OR SECTION), REFERRED TO RULES COMMITTEE

The committee is authorized and directed to conduct a constructive, comprehensive investigation, study, and analysis of the problems of urban, and suburban, and agricultural housing, slum clearance, and conservation of natural resources of the United States, and the existing Federal policies and laws on such subjects, and the agencies of the Federal Government administering such laws, with the view to the development of a sound coordinated program of Federal activity through the fullest utilization of private and public enterprise in these fields, and the preparation of legislative recommendations to carry out such program.

SECOND. A BILL (H. R. 10303), FOR CREATING NATIONAL RESOURCES BOARD (FIRST SECTION), REFERRED TO THE PUBLIC LANDS COMMITTEE

That the National Resources Board (hereinafter established) is authorized (a) to investigate, examine, study, analyze, assemble, and coordinate, and periodically to review and revise basic information and materials appropriate to plans or planning policies for the conservation and development of the land, water, natural, human, and other resources of the Nation, and on the basis thereof to initiate and propose in an advisory capacity such plans and planning policies; (b) to consult with, cooperate, and participate in the work of any existing or future agencies of the Federal Government and of any State or local government, as well as with any public or private planning or research agencies and institutions; (c) to prepare and submit studies, reports, and recommendations upon matters within its jurisdiction under this act whenever the President may request a study, report, or recommendation from the Board upon any such matter; and (d) to set up a special advisory council and to constitute such other agencies as the Board may deem necessary or appropriate to assist in the carrying out of its works.

REPORT OF THE COMMITTEE ON COORDINATION OF HOUSING ACTIVITIES OF THE FEDERAL GOVERNMENT

Mr. Speaker, I desire to call attention to the fact that the National Resources Board, now known as the National Resources Committee, was originally created by Executive order. I consider the work they have done as of utmost national importance, so I offer a report of the Committee on Coordination of Housing Activities of the Federal Government.

INTRODUCTION TO REPORT—EXPLANATORY NOTE

The studies and recommendations which this present report covers had their origin in the 1934 report of the National Resources Board to the President. The 1934 report called attention to the number of Federal agencies interested in housing and to the need of coordinating their activities; also to the number of private organizations in the housing field with whom the housing movement had originated and on whose continuous support its ultimate success depended.

Following the publication of the 1934 report, the American Civic Association, through its president, Mr. Frederic A. Delano, took the initiative in calling a conference of representatives of housing interests, public and private. As a result of this and a subsequent conference of Federal officials alone, a committee of seven representatives of Federal agencies was recently appointed to study and report on the possibilities of coordination within the the Federal Government. The report and recommendations which follow are the unanimous report and recommendation of that recently appointed committee. It is submitted through the chairman, who initiated the conferences, for the information of the general group of housing officials of the Federal Government and for action by the responsible heads of the departments and of those independent establishments which, either directly or indirectly, are concerned with housing.

REPORT OF SEVEN REPRESENTATIVES OF FEDERAL AGENCIES ON HOUSING REPORT OF 37 REPRESENTATIVES OF FEDERAL AGENCIES ON HOUSING

HON. FREDERIC A. DELANO,
Vice Chairman National Resources Board;
President American Civic Association;
Chairman General Conference of Federal Housing Officials.

SIR: Your committee appointed to study the activities of all Federal agencies concerned with housing and to devise ways and means of coordinating their activities, submits the following report and recommendations:

At the present time there is in the Government service no one agency attempting to study housing for the benefit of all Federal agencies, and no definite responsibility exists for formulating a unified long-range program of housing for the United States.

The agencies now at work represent great resources of experience, accumulated information, and trained personnel. Some of their resources are entirely unknown and unused by other Federal agencies. All of them recognize the need of coordination.

Your committee has studied the activities, methods, objectives, legal authority, accomplishments, and interrelations of the agencies created to deal with housing in its manifold phases of technical research, economic and social research, planning, construction, credit, finance, taxation, insurance, and maintenance without attempting to evaluate any program, to redefine purposes, or to suggest any alteration in functions or procedure. None of the recommendations contained herein will restrict in any way the legal authority or functioning of any Government agency.

A total of 37 agencies of the Federal Government in Washington have been found to have definite responsibilities in housing. A complete list of all of these Federal agencies classified by activity is given in exhibit A attached.

Twelve are giving their exclusive attention to the construction, reconditioning, modernization, and financing of family dwellings or to the refinancing and encouragement of home ownership. In addition, four are giving a major portion of their attention to some phase of housing. Twelve are making important contributions, although devoting only a part of their time, personnel, and resources to housing activities. Nine have only an incidental interest in housing.

Of those units or divisions having an important interest in housing, 14 are dealing with design, planning, and engineering; 9 with appraisal, evaluation, and purchase; 4 with the initiation of projects; 9 with credit and finance; 13 with materials, labor, and construction; 9 with legislation, zoning, and regulation; 6 with ownership, supervision, and management; 24 with the accumulation and dissemination of information; and 26 with economic and social research or with the analysis of statistical information about building construction, home ownership, and housing finance.

Here is what your committee, as a result of individual interviews and numerous group conferences, has learned:

1. There is a general lack of information among executive officers of Federal agencies interested in housing as to what other agencies in the same field are planning or doing.

2. There is a vast amount of unused general and technical information and experience which has been accumulated at public expense whose translation into more fruitful accomplishment is dependent upon new avenues of release and cooperative action.

3. There is an eager desire among executives of housing agencies to understand the work of kindred agencies and to exchange useful information.

4. There is a noteworthy absence of selfish considerations, ulterior designs, and of organizational or professional jealousies. On the contrary, there exists an open-handed readiness to give and take freely as a means of accomplishing greater results in the interests of public service.

No present procedure exists which is designed to unify the activities of Federal agencies concerned with housing or to correlate and capitalize the results of their labor in research, planning, and administration. Your committee is persuaded that by taking the proper steps much expense can be saved, efficiency can be increased, overlapping and wasteful duplication largely eliminated, serious gaps filled, and unused resources put to work, all without disturbing or restricting the work of any existing department or independent establishment.

The Federal Government in its housing programs is engaged in a creative effort of the first magnitude. If its agencies, with their expanding vision of housing possibilities, prove unequal to their tasks, it will be due in a large part to a serious lack of coordination and cooperation. The need of coordination is recognized, the opportunity is apparent, the spirit of desire is aroused—what is needed now is a clear program, a simple flexible organization, and an intelligent leadership that will ensure a free exchange of the information obtained at public expense and a proper unification of plan and objective. The creation of such a procedure will develop a new conception of public service, open new vistas of opportunity, and present a united front of attack on our common problems.

To attain these objectives your committee unanimously recommends:

1. That a central housing board be appointed by the President to coordinate the activities of all Federal agencies interested in housing; that a continuous study be made of the operating problems, policies, and objectives of each, both in their individual spheres and in their effects upon other housing agencies of the Government, and upon existing housing and general economic conditions; and that such housing board be provided with funds and a secretariat sufficient to carry out a program of coordination and cooperation along the following general lines:

- A. Creation by outline and definition of a clear distinction of purpose and division of responsibility among the Government's housing agencies that will preserve independent initiative and resources, but will avoid, on the one hand, overcentralization and, on the other hand, prevent overlapping, duplication, misunderstandings, and confusion.

- B. Establishment of representative coordinating committees to continue the free exchange of information concerning departmental activities, experiences, and results, with provision for regular conferences of executives engaged in kindred work as a means of encouraging coordination and active cooperation.

- C. Maintenance of a central clearing house for collecting and disseminating information about what is being planned and done by public and private housing agencies in the United States and abroad.

2. That the organization and activities of such agencies as the National Resources Board, Central Statistical Board, United States Information Service, Public Health Service, National Bureau of Standards, and Bureau of Home Economics be enlarged to provide more helpful assistance to agencies of the Federal Government concerned with housing.

3. That every effort be made to enlist and facilitate the cooperation of public, semipublic, and private groups interested in the improvement of housing standards and conditions and to work with them in spreading information about housing needs and the various programs designed to improve housing.

4. That the specific proposals enumerated in exhibit B be given consideration by the Central Housing Board as soon as it is created and ready to function.

Attached to and by reference made a part of this report are the minutes of each meeting of your committee and the minutes and detailed reports of its subcommittees. These contain more complete information on what facilities are available, how they may be put in more profitable use, and in general how the various agencies may be more closely knit so as better to serve the public.

Respectfully presented.

Miles Colean, representing Federal Housing Administration; Thomas Hibben, representing Federal Emergency Relief Administration; Arthur W. Dubois, representing Division of Subsistence Homesteads, Department of the Interior; Horace W. Peaslee, representing Housing Division, Federal Emergency Administration of Public Works; E. B. Schwulst, representing Reconstruction Finance Corporation Mortgage Co.; George N. Thompson, representing National Bureau of Standards, Department of Commerce; Ormond E. Loomis, chairman of the committee, representing Federal Home Loan Bank Board; Ormond E. Loomis, for the committee.

MAY 24, 1935.

The following are agencies mentioned:

Group I. Largest Federal agencies interested in housing: Federal Emergency Administration of Public Works, Housing Division; National Emergency Council; National Resources Board; Works Progress Administration; Resettlement Administration; Reconstruction Finance Corporation; Federal Home Loan Bank Board (1) Federal Home Loan Bank System, (2) Federal Savings and Loan Division, (3) Federal Savings and Loan Insurance Corporation, (4) Home Owners' Loan Corporation; Farm Credit Administration; Federal Housing Administration.

Group II. Other governmental agencies interested in housing: Tennessee Valley Authority, Housing Division; United States Housing Corporation, Department of Labor; Bureau of Home Economics, Department of Agriculture; Bureau of Agricultural Engineering, Department of Agriculture; Construction Division, Veterans' Administration; Construction Division, War Department; Central Statistical Board; Bureau of Foreign and Domestic Commerce, Department of Commerce; Federal Reserve System; Bureau of Agricultural Economics, Department of Agriculture; Comptroller of the Currency, Treasury Department; National Bureau of Standards, Department of Commerce; Federal Deposit Insurance Corporation; Division of Research and Planning, National Industrial Recovery Administration; Bureau of Labor Statistics, Department of Labor; Forest Products Laboratory, Department of Agriculture; Division of Labor Standards, Department of Labor; Forest Products Division, Treasury Department; Procurement Division, Treasury Department; Public Health Division, Treasury Department; Bureau of Yards and Docks, Navy Department; Bureau of Light-houses, Department of Commerce; Interstate Commerce Commission; Bureau of Internal Revenue, Treasury Department; Bureau of Reclamation, Department of the Interior; National Park Service, Department of the Interior; Office of Indian Affairs, Department of the Interior.

LEAVE OF ABSENCE

Mr. RANSLEY. Mr. Speaker, I ask unanimous consent for leave of absence for my colleague the gentleman from Pennsylvania [Mr. FOCHT], who has been called back to his district.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader.

S. 2434. An act for the relief of George W. Hallowell, Jr.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; and pending that motion, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Ohio [Mr. BOLTON], the gentleman from Massachusetts [Mr. WIGGLESWORTH], and the gentleman from Virginia, which shall be confined to the bill, general debate shall be closed and the bill read under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BOLAND in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill, of which the Clerk will read the title.

The Clerk read the title of the bill.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. BOLTON].

Mr. BOLTON. Mr. Chairman, I have asked for a few minutes to discuss with the Members of the House the bill we have before us. I want to say at the outset that it has not been possible for me to attend all the hearings of the subcommittee preparing this bill. That has been caused because of conflict between two subcommittees of the Appropriations Committee of which I am a member.

We were notified during the holidays that we should draft the appropriation bills as promptly and rapidly as possible. Because of that, being a member of the subcommittee on the independent offices bill and the subcommittee on the War Department bill, I had to divide my time between the two committees.

But I want to say that the work in the independent offices meetings which I have been able to attend has been most interesting. The chairman, with his usual courtesy, has put up with my absence, and in this connection I want to express my admiration for the chairman's knowledge of the various subjects which comprise the independent offices bill, and that my appreciation of it has been greatly magnified. Our chairman has had a very splendid understanding of the many intricate subjects which we have had before us, and with his usual ability has carried on the hearings in a splendid manner. [Applause.]

The independent offices appropriation bill is one of the great supply bills of the Government and covers many of the activities of the Government, primarily those not designated in the regular departments.

Yet I want to call attention to the fact that 20 of the various agencies of the Government, independent offices and commissions and bureaus, which were suggested in the Budget message of the President for transfer to Budget control, are not in the bill. Perhaps their fiscal requirements may be submitted to Congress later, but such activities as the T. V. A. are not carried in this bill under discussion.

Before discussing the bill I want to again compliment the chairman and the secretary for the able manner in which the report accompanying the bill is presented.

From that report you will see that the bill as presented is \$125,000,000 greater than the appropriation bill last year, but it is only fair to say in that connection that the actual in-

crease in appropriation is approximately \$75,000,000 greater by reason of reappropriations and appropriations made last year for special items.

On the other hand, it is interesting to note that of the increase a large percentage covers appropriations for agencies created by this Congress last session, a total of \$48,500,000-odd, covered by specific appropriations—\$175,000 for a Central Statistical Board, \$735,000 for the National Labor Relations Board, and \$47,645,000 for the Railroad Retirement Board, upon all of which I wish to comment briefly a little later.

There are, in addition to these three new activities, appropriations for activities which were created by the preceding Congress. In other words, increased activities of the Federal Communications Commission, increased activities called for under the Federal Power Commission, increased activities of the Interstate Commerce Commission, the National Archives, and the Securities and Exchange Commission, totaling in all, \$8,900,000; so that, taking those figures into consideration, together with the figures for those activities of 1936 to cover the original appropriations for these new activities, we find that the actions of Congress in new legislation during the past 2 years have added to our ordinary expenditures of Government about \$61,000,000, to which must be added another million dollars for activities for these departments which are to be carried in the deficiency appropriation bill soon to come before us.

In addition to that, there are certain items which I think it well to call to the attention of the Congress, which are not covered in the appropriation bill. I am frank to admit that I was very much surprised to find that in the employees' compensation fund there were items for employees of Civil Works Administration, the old C. W. A., disability compensation items, as well as compensation for those in the C. C. C. camps. When those activities were first started a fund of \$25,000,000 was set aside from the emergency fund to compensate men working under relief or in the C. C. C. camps who suffered disabilities while carrying on their work.

It was found that fund was much too large, and \$10,000,000 was returned to the general fund, but during the year 1936 there was appropriated from that fund and expended for C. W. A. workers, the sum of \$2,081,000 and this year we have authorized additional expenditures of \$805,000 for the activity, making in all an expenditure of nearly \$3,000,000 for the C. W. A. workers during 1936 and 1937. In the C. C. C. camps in 1936 a fund of \$1,056,000 was authorized from this special fund. This year we are authorizing additional expenditures of \$915,000. Of course, there is a great difference between the workers of the C. W. A. and W. P. A. and those in the C. C. C. camps. In the C. C. C. camps the enrollees are given a strict medical examination when they enter and another one when they are discharged, with the result that today we find on the C. C. C. records 500 enrollees on the disabled list and subject to compensation, and during the period that the C. C. C. camps have been in operation, 300 fatalities, a record which I think is commendable when we consider the large number of enrollees that have attended those camps.

As to the three new activities for which we are appropriating money this year, let us consider, first, the Central Statistical Board, a Board which has been set up as a more or less general staff of our various statistical agencies in the Government. I wonder how many of you realize that today we have approximately 180 various agencies in our Government gathering, collecting, and publishing statistics. It is because of the confusion that has resulted in this activity that this Central Statistical Board was suggested and authorized by the Chief Executive and has been put into effect, and I think from the testimony that was given our committee, from the activities which these gentlemen are carrying on, that it is one of the best activities of our Government today. I might say that 3 years ago, I believed when we began our economy activities, when the fund was cut down for the collection of statistics, this activity was recommended and, in fact, grants were made

by private agencies, to collect and correlate data that should be and was being published.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. Yes.

Mr. REED of New York. There was a great deal of duplication, was there not?

Mr. BOLTON. The duplication has been tremendous. Further than that, statistics have been given out from time to time by one bureau which conflicted with those given by other bureaus and were misleading—not from the figures given out but from the import they might have.

Mr. REED of New York. Have they eliminated these various commissions that have been collecting data and having it done by this central bureau?

Mr. BOLTON. No. The Central Statistical Board acts in an advisory capacity, but not with actual authority. It is more or less a planning board to suggest the type of statistics to be given out, to collect statistics that are given out, and instead of having new statistics furnished, to be a source of information for other boards or commissions that may desire the same type of statistics.

Mr. REED of New York. I want to get this clear. Does this central Board plan the type of statistics they are to prepare?

Mr. BOLTON. Insofar as possible.

Mr. REED of New York. And eliminate the duplication?

Mr. BOLTON. That is their purpose and intention. I may say in that connection that our attention was called to various Works Relief projects that were suggested along statistical lines, and this general statistical board has been surveying and considering those, recommending some in part and disapproving others.

Mr. BLANTON. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. BLANTON. I am glad to hear the gentleman from Ohio give his encomium on this Board, and to see that it has his approval and that he speaks of its good work. Was it not our good friend from New York, Mr. TABER, who, in his always able and forceful style, made such an indictment against this Board at the time it was created? I think it was his speech that inveighed against it so forcibly.

Mr. BOLTON. I am not certain of that.

Mr. TABER. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. TABER. And I have not changed my mind in the least. I am not satisfied that this Board is doing what could be done. It is just another board.

Mr. BLANTON. I would suggest to the two great leaders of the great minority party that they get together on these fundamental matters. [Laughter.]

Mr. BOLTON. I do not think the views of the gentleman from New York [Mr. TABER] and my own views conflict in the slightest. I see in this Statistical Board an organization which will do away with many of the 180 statistical agencies I spoke of, and act as a general statistical organization of the Government.

Mr. RICH. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. RICH. We fought hard to have that Board established. There is only one trouble with it, and that is that we did not give the Board the power to eliminate a great many of these 180. If we would do that, we would have it all right.

Mr. BLANTON. The power of elimination is for a higher-up authority.

Mr. DONDERO. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. DONDERO. On page 4 of the report I notice the increase in the Civil Service is \$266,000. I supposed that the work of the Civil Service Commission had been somewhat curtailed, because nearly every act we passed contained a provision that appointment might be made under that act without regard to the civil-service laws. Why this increase?

Mr. BOLTON. That is not quite correct. I will touch on that in just a moment, if I may.

To proceed with the next agency which has been created by us, the National Labor Relations Board, I do not think there is any need of going into the details of that activity, because I believe we are all familiar with it. It is a continuation of the old Wagner Labor Board. It is a Board to attempt to settle difficulties that may arise between employer and employee, particularly with reference to collective bargaining. The Board anticipates setting up regional offices throughout the country to the extent of 21 or 22. While the Board is new in its activities, I believe it is impressed with the desirability of keeping its expenditures as low as possible. To be frank, as a court to which labor that is dissatisfied may apply, I think it will serve a useful purpose.

The third great activity, and the largest of our new activities, insofar as appropriations are concerned, is the railroad retirement fund, which, of course, calls for \$46,500,000 of the \$47,000,000 appropriation to build up a fund for the retirement of railroad employees. Last year, at the same time we passed this bill, we passed a companion bill to cover revenue which will be required for this fund. Of course, that revenue goes into the general revenue fund but, at the same time, its purpose was very apparent.

So much for the three new activities.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman from Ohio 5 additional minutes.

Mr. BOLTON. I want to comment very briefly on the matter the chairman has brought out in the report on the bill, but which I think should be very carefully considered by Congress. I suggest its consideration by the Ways and Means Committee.

I have reference to the activities of the Civil Service Commission and the activities of the Federal Communications Commission. The gentleman from Michigan [Mr. DONDERO] has spoken of the increase in appropriations for the Civil Service Commission. This is caused, in part, because of the increase in the various agencies or bureaus of our Government, many of which are calling for additional civil-service employees. It is true that the employees in the Government who are not under civil service have increased by leaps and bounds during the past 3 years. I think there are approximately 300,000 who are outside of the civil service today. It is true that the Civil Service Commission has many additional demands made upon it for certification of people satisfactory to work in these new agencies. I may say that revenues to offset these examinations which the Civil Service Commission is called upon to make have been suggested by our committee as a proper function of the Civil Service Commission. In Canada and Great Britain fees are charged for taking civil-service examinations. You may say it is wrong to debar any man or woman from taking these examinations, but still I believe a small fee would keep many from taking examinations without doing any difficulty or any damage to the Civil Service list or working any undue hardship. Today we have about 400,000 applicants for examinations that desire to be put on the Civil Service register. If I am not mistaken, the estimate was that by the end of the year the applicants would be over 600,000. It is easy to see the great amount of work that is required. Further than that, I recall an instance which indicates the added expense to which the Civil Service is being put. The Post Office Department called for an examination for railroad clerks, which necessitated a new examination being held at a very great cost to the Civil Service at the time, approximately \$175,000. The question was raised in our committee as to whether it would not be proper to make some interdepartmental charge against the department calling for those examinations. The question was further raised as to the propriety of more or less standardizing the registry and the type of examinations that are being given today by the Civil Service Commission and thereby reduce expenses.

The other question had to do with the Federal Communications Commission. You will notice in the report, particularly in the hearings, the activities which that Commission is carrying on, particularly the expense of its great monitoring system, where it has not only monitoring equipment

that is probably the best in the world but through it keeps the channels clear for its licensees. The question has been very properly raised, I believe, as to whether those licensees, those who hold licenses under this service rendered by the Government, should not pay for that privilege. Certainly the radio is in the interest of the public. Certainly it might be termed a great public utility. If that is correct, certainly that utility should pay the same licenses or fees which other public utilities in the country are accustomed to pay, and be subject to similar regulations and taxes. I believe from this a large revenue might be derived, and in these times of lack of revenue, I think, it is a subject which the Ways and Means Committee might well look into.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. MAIN. In using the term "monitor", does the gentleman intend to imply in any sense a censorship?

Mr. BOLTON. No. The Government has a large monitoring system in the Middle West which can listen in on every wavelength used throughout the country and thus see that time is properly used; in other words, that there is no interference with the wavelength granted to its licensees.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. BOLTON. A few days ago I saw, and I dare say others saw, a resolution introduced by a great gentleman at the other end of the Capitol, calling for an investigation of our various independent agencies with a view to coordinating their activities and, if necessary, doing away with many of these agencies. It is very true that in the activities of these individual bureaus and commissions there is a considerable amount of overlapping. Let me give you an example with reference to electrical energy. Power companies are examined as to one phase of their activities by the Federal Power Commission. The power companies are examined by the Federal Trade Commission as to another phase. The power companies are asked to furnish data by the Securities and Exchange Commission. In all this, of course, there is considerable overlapping. There is considerable extra expense to the Government and certainly to the industry. I believe it is highly desirable to go into this subject thoroughly to see if many of these activities cannot be combined to prevent this duplication. I hope the resolution may receive the attention it deserves, and I trust something may come of it.

In conclusion, and on this subject, may I refer you to a very interesting letter in the testimony from the Central Statistical Board with reference to the many questions asked of industry by the various departments of Government, both National, State, and local? I think a reading of this letter will give you an idea of what industry today must put up with from governmental agencies in order that the Government may gain information, some of which may be necessary, but much of which is nothing more or less than duplication. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. WOODRUM. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, at the outset I should like to ask permission to revise and extend my remarks and to include such charts and statements as I may use in the presentation of the bill.

The CHAIRMAN. Without objection, it is so ordered.

Mr. WOODRUM. Mr. Chairman, I want to reciprocate the pleasantries of the gentleman from Ohio [Mr. Bolton], my colleague on the committee, and say to the gentleman and also to my colleague the gentleman from Massachusetts [Mr. Wigglesworth], the two minority members on the subcommittee, that I believe the Congress and the country owe them a debt of gratitude for their splendid and careful consideration of this important measure and their duties on this committee.

This is one place we meet, gentlemen, in this committee, where there is no politics. Undoubtedly we have found varieties of subjects on which we have had differences of opinion. We have, oftentimes, a difference of opinion about these appropriation bills, but there is no partisanship in it; and I am not going to make a political speech today. I

should like some time before long, perhaps, to make a few remarks on the state of the Union at which time I hope to make my political adversaries as uncomfortable as possible, if it is possible to make them any more uncomfortable than they are now; but I shall not do so today. [Applause.]

I want today seriously to engage your attention in the consideration of one of the largest appropriation bills that comes before Congress. I want to ask the young gentlemen to help me shift the scenery here to present this long chart and hold it up for a few moments. This chart, Mr. Chairman, shows the major items in this bill graphically, and I want to comment on it as I proceed, feeling that when I set the figures before you, you will be better enabled, perhaps, to follow my presentation.

In the first place I want to clear the atmosphere somewhat. I want to give you a little accurate information about some figures. My good friend the gentleman from New York [Mr. Taber], the ranking minority member on the Appropriations Committee, I am sure with good intentions, made an inaccurate presentation of the budgetary estimates and appropriations, and especially in connection with this bill which, of course, comes nearer to our hearts. In his presentation yesterday he had the amount carried in the independent offices appropriation bill for 1937 as \$375,000,000 more than it was in 1936.

Mr. TABER. Mr. Chairman, will the gentleman yield at that point?

Mr. WOODRUM. With pleasure; yes.

Mr. TABER. I did not say that, if the gentleman will pardon me. I said that the Budget estimates that were sent here showed that. If the gentleman will examine the Budget estimates he will find that my statement was exactly correct.

Mr. WOODRUM. I have examined the gentleman's remarks, and I have also examined the Budget; and I have found that his statement is not correct, with deference to my friend.

Mr. TABER. If the gentleman will pardon me, I will have the Budget estimates here in a few moments for the gentleman's information.

Mr. WOODRUM. I have just spent some time on them, I may say to the gentleman from New York, and I am entirely content to make my presentation and let it stand against my friend's presentation which he put in the Record day before yesterday.

To be accurate, I will quote what the gentleman said. In the CONGRESSIONAL RECORD of January 14, page 400, the gentleman made the following statement:

The independent offices appropriation bill, which is now under consideration by the House, shows total estimates of \$1,221,598,000 for regular activities, as against \$846,033,000 appropriations in 1936, an increase of \$375,565,000.

The impression which that statement conveys to the House and to the country is that this bill now before the House is based upon estimates which show an increase over the 1936 appropriations of more than \$375,000,000, which is decidedly not the fact.

The gentleman has included in this total of estimates the items considered in this bill with estimates totaling \$927,345,766. He has also included in this total items for several independent offices or establishments, which are not in this bill at all and were not considered in connection with it. Among these is the Emergency Conservation Work item of \$246,000,000, which is not in this bill but which was submitted in the independent offices chapter of the Budget for 1937. It will be considered in connection with the deficiency bill. He has also included permanent appropriations (exclusive of trust funds), which are not included in any annual appropriation bill. He has also included the Farm Credit Administration with budget estimates of \$4,000,000, which is customarily carried in the agricultural appropriation bill and is so submitted in this year's Budget. He has included the Tennessee Valley Authority, for which \$43,000,000 is submitted under the general Public Works chapter of the Budget and which, as the gentleman well knows, has never been carried in the independent offices bill. All of these figures of estimates reach the total of Budget estimates which the gentleman

stated of \$1,221,000,000, but to leave the impression that such is the total of the independent offices bill is not correct. The total of the estimates for items considered in that bill is \$927,000,000 and not \$1,221,000,000. So much for that.

The gentleman makes a comparison of all these Budget estimates I have mentioned with the 1936 appropriations and says there is an increase of \$375,000,000. He has taken as his total of 1936 appropriations a stated amount of \$846,033,000. He has taken that total from a supplementary statement in the 1937 Budget on page A-30. He ignored the whole total of 1936 appropriations stated on that page, namely, \$4,846,033,109, by confining his statement to "regular activities."

There is a very sound reason why he should have analyzed the whole total. It consists of \$846,033,109 for general purposes and \$4,000,000,000 for emergency relief. It is true that this latter item is not a regular activity. But out of it for the present fiscal year there is an estimated expenditure for Emergency Conservation Work of \$495,164,000, which the gentleman has evidently not considered. When Emergency Conservation Work is changed, as it has been, from an emergency activity financed from emergency funds in 1936, to a regular activity with a Budget estimate of its own of \$246,000,000 for 1937, he should have given credit in the 1936 appropriations for its expenditures from the \$4,000,000,000 in order to make a fair and just comparison. Taking these 1936 estimated expenditures into account with the 1936 appropriations, there is a reduction under Emergency Conservation Work of approximately \$249,000,000 instead of an increase of \$246,000,000, as the gentleman persisted in stating.

In order that the estimates and appropriations for the independent offices chapter of the Budget, and the independent offices for which estimates are submitted but included in other chapters of the Budget, may be set forth clearly to show the distinction between them and this bill, I shall insert a table showing the totals divided among those activities. From this table it will appear clearly that instead of an increase of \$375,000,000 which the gentleman says is occurring, there is an actual decrease. The total Budget estimates for 1937 for all independent offices, including those in this bill and elsewhere, accepting the gentleman's figure, amount to \$1,221,598,341. The total for 1936 appropriations, including estimated expenditures for emergency conservation work of \$495,164,000, is \$1,341,197,109. These figures show a decrease of estimates of \$119,598,768 for 1937 under 1936 appropriations, instead of an increase of \$375,000,000, as he claims. His statement of an increase of \$375,000,000 when actually and fairly there is a decrease of \$120,000,000 is only a matter of approximately \$500,000,000 wrong.

Comparison of 1936 appropriations and 1937 Budget estimates for independent offices

	1936 appropriations	1937 Budget estimates	Increase (+) or decrease (-)
Activities in the independent offices chapter of the Budget:			
Those carried in the independent offices bill now pending (including \$4,000,000 for Veterans' hospitals under "General public works")	\$805,234,158	\$927,345,766	+\$122,111,608
Emergency Conservation Work (to be carried in deficiency bill)	495,164,000	246,000,000	-249,164,000
Total, independent offices chapter of the Budget, less trust funds	1,300,398,158	1,173,345,766	-127,052,392
Activities for independent offices carried in other chapters of the Budget:			
Farm Credit Administration (agricultural appropriation bill)	4,000,000	4,000,000	-----
Tennessee Valley Authority and District of Columbia Alley Dwelling Authority (to be carried in deficiency bill)	36,000,000	43,300,000	+7,300,000
Total, independent offices in other chapters of the Budget, less trust funds	40,000,000	47,300,000	+7,300,000
Permanent appropriations, exclusive of trust funds, under above activities	798,951	952,575	+153,624
Grand total	1,341,197,109	1,221,598,341	-119,598,768

¹ Estimated expenditures in 1936 from \$4,000,000,000 appropriated for 1936 for emergency relief.

There is the record, and you gentlemen may verify and pass upon it.

Let us look at the appropriation bill, because, after all, that is what we are concerned with. This chart which I have before me shows at the bottom that the gross total for 1937 is \$929,362,766 as against \$805,234,158 for 1936. I propose to show and demonstrate to you that for comparable items, and we are considering now whether the costs of these bureaus for the same things that they have been doing is growing or expanding like a mushroom, as has so frequently been charged, there is a reduction of \$21,000,000.

Mr. DITTER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Will the gentleman clarify what he means by the word "comparable"?

Mr. WOODRUM. For the same activities.

Mr. DITTER. Does the gentleman mean that the activities materially increased and that a larger work is being done which justifies these increases?

Mr. WOODRUM. There are increases in any number of the departments. Those increases are brought about because this Congress, every session, passes new laws and places them upon the statute books increasing the duties and activities of the Government departments, then they come back here next year and complain about the growth of bureaucracy.

Mr. DITTER. Then we can agree that so far as the increased cost of operations is concerned it is caused by the increased personnel of the present administration and the increased cost is due to the present administration?

Mr. WOODRUM. No; we cannot agree to anything of the kind, I may say to the gentleman. We can agree that the increase in these bureaus is due to increased duties, which this Congress has placed upon these various bureaus. Many of those additional duties were voted upon by the gentleman and his colleagues on that side of the aisle, as well as the Members on this side of the aisle.

Mr. DITTER. But that program of increase was under the administration presently in power?

Mr. WOODRUM. Yes; of course, it is under the present Democratic administration, just as other programs in the past were under other administrations.

Mr. DITTER. And these increased costs and appropriations are directly chargeable to the present administration?

Mr. WOODRUM. The gentleman can put that construction on it if he desires.

Mr. DITTER. It is a fair construction?

Mr. WOODRUM. I do not want to engage in a political debate with the gentleman just now. At some other time I will take great delight in crossing swords with the gentleman, or anyone else on that side of the aisle on that question. [Applause.] Of course, there has been increase in the cost of government. May I say this and pass from the matter. There has been an increase in the cost of government. If anyone was ever insane enough to think that this country could be lifted out of the abyss into which it had been driven without somebody paying something for it, then that person would indeed be a fit subject for the insane asylum and should not have been elected to Congress. [Applause.]

I want to get back to the appropriation bill and talk about it. We have here \$805,234,158 carried in the independent offices bill for 1936. This does not represent, however, all of the appropriations for those items for 1936, because there are deficiencies amounting to \$32,192,100 which will presently be brought before you for consideration. The major item in those deficiencies is an item of \$28,000,000 which is carried for 1936 for the payment of reinstated Spanish-American War pensions. We have added to the \$805,000,000 in the bill this year these pending deficiencies amounting to \$32,192,100, which raises the total for 1936 to \$837,426,258.

Now, there were some items in the bill last year which ought to come out of the calculation, because they are non-recurring items of appropriation:

Federal Home Loan Bank Board	\$264,043
George Washington Bicentennial Commission	103,600
Thomas Jefferson Memorial	15,000

United States-Texas Centennial.....	\$3,000,000
Protection of interests of the United States in matters affecting oil lands in former naval reserves.....	36,000
	<u>3,418,643</u>

This makes a total of \$3,418,643 of nonrecurring items which we should deduct from this gross total in order to find the actual appropriations for these activities for 1936.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAIN. Why is the Federal Home Loan Bank Board omitted?

Mr. WOODRUM. The Federal Home Loan Bank Board finances itself through assessments of member banks which are available to the Board by reason of a permanent appropriation.

This leaves us a net total for 1936 appropriations of \$834,007,615. Now let us come to 1937. We have in this bill \$929,367,766 of gross appropriations. The actual amount of the bill is not that much, because we have reduced the actual appropriation by reappropriating unexpended balances; but this is a bookkeeping transaction and this committee does not undertake to come before Congress or the country and claim that this \$49,618,861 which is reappropriated is a saving. We think it is the correct way to appropriate, but we do not claim that there is any actual saving.

Now, in the \$929,000,000 that we have this year, we have new activities that Congress has established. Let us look at them for a moment:

Central Statistical Board, \$104,000.
National Labor Relations Board, \$435,000—

This is the Board established under the Wagner bill.

Railroad Retirement Board, \$47,045,000.

We have these new activities added to our bill which were not there before, and it is not fair to say that our bill has increased or that the cost of Government for comparable activities has increased unless you make allowance for these activities.

Mr. TABER. But the item for independent offices has increased.

Mr. WOODRUM. Oh, yes.

Mr. TABER. And if the gentleman would turn to pages 30a and 31a of the Budget, he would see that the Budget estimates for 1937 are \$1,221,000,000, while the appropriations stated in the Budget are \$846,000,000, a difference of \$375,000,000, exactly as I have stated it.

Mr. WOODRUM. The gentleman did not take all of the essential factors into consideration in making his comparisons.

Mr. TABER. My figures are certainly correct.

Mr. WOODRUM. I shall put my remarks and my position in the RECORD and the gentleman can look at it and see if it is right or wrong.

Now, to proceed. In addition to these new activities in the bill, we have new duties given to some of the established organizations by laws which we have passed.

For instance, we put air mail under the Interstate Commerce Commission, motor-transport regulations, and we gave new duties to the Federal Power Commission and the Securities and Exchange Commission when we passed the utility holding company bill. We increased Spanish War pensions, which necessitates another \$6,000,000. This bill also has \$60,000,000 more than last year to go into the retirement fund for the payment of adjusted-service certificates.

This makes a total of \$116,516,098 of new activities in this bill because of the enactment of new laws which were not provided for in the 1936 bill. Subtracting the latter figure from the gross total recommended in the bill leaves \$812,846,668, and this amount deducted from the \$834,007,615, leaves a net decrease for comparable activities of \$21,160,947; and I will put this statement in the RECORD, and you gentlemen can examine it more carefully at your leisure.

1936 appropriation (total).....	\$805,234,158
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Add pending deficiencies:

A. Supplementing old activities—	
Civil Service Commission.....	548,700
Federal Trade Commission.....	172,800
Federal Power Commission.....	660,000
Securities and Exchange Commission.....	765,000
B. New activities occasioned by new legislation—	
Central Statistical Board.....	70,600
National Labor Relations Board.....	300,000
Railroad Retirement Board.....	600,000
Motor-transport regulation.....	1,075,000
C. Pensions (increase on account of Spanish-American War legislation).....	28,000,000

Total deficiencies, 1936.....32,192,100

Total appropriations, 1936.....837,426,258

Deduct nonrecurring items:

Federal Home Loan Bank Board.....	264,043
George Washington Bicentennial Commission.....	103,600
Thomas Jefferson Memorial.....	15,000
United States-Texas Centennial.....	3,000,000
Protection of interests of the United States in matters affecting oil lands in former naval reserves.....	36,000

Total, nonrecurring items.....3,418,643

Net total, 1936 appropriations.....834,007,615

Recommended for 1937 (including all reappropriations).....

929,367,766

Deduct the following:

Increases in new establishments over the amount of pending deficiencies for same:

Central Statistical Board.....	104,820
National Labor Relations Board.....	435,000
Railroad Retirement Board.....	47,045,000

Increases in old establishments occasioned by new legislation:

Interstate Commerce Commission:	
Air mail.....	160,000
Motor-transport regulation.....	625,000
Federal Power Commission.....	752,400
Securities and Exchange Commission.....	1,215,506
Pensions (further increase in 1937 on account of Spanish-American War legislation).....	6,178,372
Increase of adjusted-service certificate fund.....	60,000,000

Total deductions.....116,516,098

Net, 1937.....812,846,668

Decrease, 1937, under 1936.....21,160,947

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. I am very much interested in the gentleman's statement and in his portrayal of Government expenditures. The gentleman made the statement that estimates are one thing and what Congress appropriates is another. I wish to state that what Congress appropriates is one thing and where you are going to get the money is another. I am sincere about this, and I should like to ask the gentleman this question: In his judgment, for which I have great respect, if Members of Congress, at the time they were providing for these activities, had to provide for raising the money, would not this cause us to stop a lot of unnecessary appropriations?

Mr. WOODRUM. Undoubtedly.

Mr. RICH. And would it not make the Members of Congress think more about authorizing appropriations?

Mr. WOODRUM. The gentleman is undoubtedly correct about that.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BOLTON. In other words, does not \$60,000,000 of increase in our appropriation bill for new activities indicate that when we pass this legislation in the first instance we do not realize the cost that is going to result from such activities?

Mr. WOODRUM. Exactly so; and I may say to my friend, and to you gentlemen here, many of you just in the last few days—some did and some did not—decided to pass a bill and saddle \$2,000,000,000 on the Government and did not think very much about it or put in the bill anything about where

the money was going to come from. You cannot lay that at my door, but at the door of a great many on both sides of the aisle.

Mr. MOTT. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MOTT. Although it is true that many independent offices have been given more work by reason of new legislation, is it not a fact that several independent bureaus will be relieved of that additional work through the invalidation of laws by the Supreme Court, like the A. A. A., which will be relieved of a considerable amount of work, estimated at \$95,000—extra work put on?

Mr. WOODRUM. The Tariff Commission claims that they will have additional work which had been diverted to the A. A. A.; that having been invalidated, it will go back to them; and they have put on new additional duties.

Mr. MOTT. I notice that they have called for \$95,000 by reason of the work that was done by the A. A. A. As a general rule, new work imposed on these bureaus by reason of new legislation will be taken away from the bureau when and if the legislation is invalidated.

Mr. WOODRUM. If something else is not put in place of it.

Mr. MOTT. If the public utility holding bill should be held unconstitutional, the amount now appropriated for the Securities Exchange Commission would not be necessary.

Mr. WOODRUM. If something else was not put in place of it, but as it is now we have to appropriate for it.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. SNELL. The gentleman speaks about the amount carried in the deficiency bill in addition to regular appropriations. If the gentleman knows, I wish he would state the amount that will be carried in those deficiency bills.

Mr. WOODRUM. No one can estimate that. There will be a number of deficiencies for bureaus due to new activities.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. GIFFORD. The gentleman has not commented upon the reduction of Foreign Service pay, which you have reduced.

Mr. WOODRUM. We have provided the full amount of the estimate by reappropriating some unexpended balances of former years. The State Department says that it needs the money that we appropriated. There was a balance of something like \$2,000,000 left out of the 1935 and 1936 appropriation, which is reappropriated.

Mr. GIFFORD. Then our dollar has not quite reached the respectable position that we hoped it would.

Mr. WOODRUM. Oh, we all respect the dollar, no matter what position it is in.

Mr. GIFFORD. It seems quite necessary to make good our dollar still. The gentleman says that means \$3,800,000 for Foreign Service alone. It does not seem that our dollar has approached a respectable position.

Mr. WOODRUM. The gentleman is getting on the state of the Union and I do not want to discuss that at this time.

Mr. GIFFORD. Somebody has to do it.

Mr. WOODRUM. I shall do it some time, but I want to talk about this appropriation bill now.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. CHRISTIANSON. I understood the gentleman to say that when certain functions were invalidated the departments would find other activities that demanded the use of the money so paid. Would it not be possible for Congress to prevent the departments from expanding their activities because there happened to be money released which they could spend otherwise?

Mr. WOODRUM. Certainly, Congress can do anything it pleases, but it does not usually do that.

Mr. CHRISTIANSON. Does not the gentleman think it would be a good thing for this Congress to do?

Mr. WOODRUM. Certainly, it would.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BOLTON. In connection with the gentleman's remarks on the deficiency, do I understand that under the general law the independent offices have the right to incur indebtedness in amounts not appropriated?

Mr. WOODRUM. No.

Mr. BOLTON. In the Army and the Navy they have that right for certain purposes.

Mr. WOODRUM. They do not have that right, but in many of these agencies the Congress appropriated sums, some of which were carried in the deficiency appropriation bill which failed of passage, and, after a consultation with the Budget, the executive branch of the Government, and the General Accounting Office, these agencies were given permission to proceed, with the understanding that Congress would provide the necessary funds.

Mr. BOLTON. Even before the amount was appropriated?

Mr. WOODRUM. Yes.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. GIFFORD. I have carefully read the entire hearings I think on the Securities and Exchange Commission. One thing I wanted to find out is this: There have been \$5,000,000,000 or thereabouts of new registrations. I wondered why somebody did not ask the question, or if they did, how much of the \$5,000,000,000 registration before that Commission was for new activities, rather than for refinancing. I ask that question because I have said so many times before that the Securities and Exchange Commission might be a great deterrent to new business, and yesterday on the floor of the House I said that because of the personnel of this Commission I thought that we had gotten along pretty well, but I should like to have that question answered. How much of that \$5,000,000,000 was for new business and construction?

Mr. WOODRUM. The gentleman's question, of course, is an interesting question and would be pertinent if the Committee on Appropriations had been inquiring about whether or not it is proper to have a Securities and Exchange Commission vested with those powers, but we were not making that inquiry and we could not go into the wide diversified field of inquiry and speculation as to the effect of that. Congress has passed a law and this Commission has duties to perform. Our inquiry was how much money it was necessary to appropriate to have that duty performed?

Mr. GIFFORD. Is it not a very pertinent question, when a new commission is organized, which so many said might be and probably would be a deterrent, to ask that commission whether it had been a deterrent to business?

Mr. WOODRUM. I am sure a telephone call from the gentleman to the Commission would bring that information from the Commission if he wanted it. The Committee on Appropriations certainly has to limit its inquiry into such things. We were not particularly concerned. We did ask a great many questions about the work of the Commission, if the gentleman had taken the trouble to read them.

Mr. GIFFORD. Oh, I read it all, but I thought that was a pertinent question in view of the worry of the entire Nation on the set-up of that Commission.

Mr. WOODRUM. The gentleman can make his inquiry to that Commission, and I am sure he would get the answer.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. DONDERO. Under the foreign-pay adjustment, I notice the amount recommended is \$1,800,000. Was that recommended in the Budget of the President?

Mr. WOODRUM. The amount recommended in the Budget was \$3,848,611. We appropriated this amount and appropriated the difference by reappropriations.

Mr. Chairman, the chart which I have in front of me now shows the major activities in the independent offices appropriation bill. Some of the items are increased and a number of them show practically the same appropriation. In addi-

tion to these major activities there were some dozen or half dozen lesser activities which I have in another chart but which could not be added to this one before us, and I shall insert that in the RECORD.

It includes the Battle Monuments Commission, the Board of Tax Appeals, the Federal Power Commission, The National Archives, the Capitol Park and Planning Commission, the Mediation Board, the Smithsonian Institution, and the Tariff Commission, and so forth. I desire now to comment on one or two of these activities. First, the civil service. The gentleman from Ohio [Mr. BOLTON] called attention to the large increase in the appropriations for the Civil Service Commission for 1936. Of course, if gentlemen will read the report, they will find it is because of the great many examinations they have had to hold. If the administration had undertaken to fill all of these temporary appointments in these emergency organizations from the civil service, then there would have been a great many more figures on this chart than you see now. It would have been impossible, and I do not think desirable. I do think this is true. I believe it is practically the unanimous opinion of our subcommittee that a fertile field for the activities of the legislative committee on the matter of the civil service is the Civil Service Commission.

I believe in the merit system. I wish that every position in the Government could be filled through the civil service, and that it would be a violation of law for a Member of Congress to recommend anybody for a position. I would be willing to have that. [Applause.] Politically, I do not think it helps anybody to get jobs for people. When people are in distress we like to help them when we can. We like to help them get jobs, and we like to help our friends, but as far as the merit system is concerned, I believe in it. I think we have a splendid Commission, individually and collectively. They are able, industrious, and sincere. But I think they are bound up and tied up by archaic, illogical rules and regulations under which they operate.

Let us just look for a moment at the situation. Because of the 40-hour law that was passed, there were 2,000 positions to be filled in the Railway Mail Service. They called a Nation-wide examination, and there were 200,000 applications which they received and had to look over carefully. Thousands of them were thrown out because the people did not have a shadow of qualification for that particular service.

Mr. DONDERO. How many jobs were there to be filled?

Mr. WOODRUM. Two thousand jobs. There were 200,000 applications in 8 days. They cut the time for filing down to 8 days, and there were 200,000 applications filed before the Board. That, of itself, of course, shows that there ought to be some way in which the citizens of the country generally might be given an opportunity for these positions, and yet not such a terrific expense placed upon the Government.

The same is true of the stenographic and typing examination which they had a few years ago, and when some 50,000 or more took the examination, and before the registry could be established, much of it was out of date. There ought to be some way to standardize these examinations. That is, have at least one standard examination and then perhaps reexamine on other special qualifications.

Another thing that has been called to my attention—and I expect every Member has had his attention directed to it—is the much-discussed mental tests which the Civil Service Commission is using under their rules and regulations for qualification of applicants. If I understand what "civil service" means, it means that the idea is to try to select people especially qualified for particular duties. I will give you a leaf out of my personal experience, probably matched by many of your own. In my home town we opened a Veterans' Administration facility. In the opening of that home it was necessary to have three or four switchboard operators—"P. B. X. operators", as they are called. They had no registry at the Civil Service Commission for that position, and an examination was called. It was what they call a localized examination; that is, for the particular area which

might be adjacent to that facility. Several hundred people took the examination. Of course, pending the establishment of that register they had to have someone to operate the switchboard, so they appointed a young lady who had had 5 years' experience with the Chesapeake & Potomac Telephone Co. She went out when they put in the dial system. She was a high-school graduate, a very lovely and attractive girl personally. She was an unusually intelligent girl. They appointed her temporarily. She went in there and helped to establish and set up the switchboard. They appointed to help her the wife of a disabled veteran who has a service-connected disability; a woman who was a graduate of a business college and had had some 7 or 8 years' experience in operating switchboards in offices and manufacturing and industrial plants.

They held this civil-service examination, and neither of those ladies could make a passing grade. One failed on the mental test; the other on experience. Why not? Why could they not make it? Have any of you ever seen this mental test that they have? It consists of a lot of funny catch questions that have absolutely nothing on the face of the earth to do with the qualifications of a person for the particular job. Here was a young lady with 5 years' experience with the Chesapeake & Potomac Telephone Co., a portion of that time in charge of the night long-distance board in a city of 75,000 people, a high-school graduate, who had one of the finest letters of endorsement from a manager that I ever saw, and they say she is not qualified to run a switchboard which she has operated, which she helped establish and set up, and which she had been operating for 6 months. There were a few catch questions that she could not answer.

Let me say, in justice to the friends down at the Civil Service Commission, they undertook very feebly and unimpressively to defend that mental test. They only gave 40 percent credit for experience and 60 percent for this mental qualification.

Mr. TABER. Will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. TABER. I should think the gentleman would have sufficient influence with the Civil Service Commission to have them revise their mental examinations.

Mr. WOODRUM. The gentleman so far has not had that much influence, I may say, although I do want to say they are tied up with a system of rules and regulations, and the legislative committee should take charge of this. I hope they will do it. I hope what has been said will precipitate that.

In addition to that, there should be a fee charged. There is no reason why there should not be a reasonable fee charged for a civil-service examination. That will have the effect of greatly limiting the number of applicants. It will stop people from indiscriminately going into a post office and getting an application blank and sending it in here for some position for which they have no earthly chance to qualify.

Mr. MAY. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAY. As I understand this very important bill, the total appropriation for the 2 years is \$1,729,161,281. That is a vast sum of money. I want to ask the gentleman from Virginia if the committee, in making up its estimates for the various departments, is not confined almost exclusively to testimony coming directly from the particular department concerned, and whether or not he has observed any disposition on the part of the heads of those departments to try to cut down rather than enlarge?

Mr. WOODRUM. The gentleman's question, of course, is very interesting. Maybe some of you will recall that when I presented this bill a year ago or 2 years ago I made the observation that the Appropriations Committee of Congress is in the attitude of a jury trying a case with no lawyers except the lawyers for the plaintiff and no witness except witnesses for the plaintiff, and that if it is to make any defense to the case it has got to dig it out itself. This may not be literally true, because my observation has been that most of the Government departments are operated by men

of integrity, patriotism, and usually men of high standing; but it is just human, it is just naturally human, that a bureau or a department wants to protect itself and its personnel to secure as much additional power, personnel, and appropriations as it can. I said then, and I say now, that if the Appropriations Committee of this House had its own staff of highly trained experts who could go into these departments in the interim between sessions of Congress and carefully audit and carefully examine, item by item and activity by activity, these various requests for large appropriations, that we could greatly and vastly reduce the amounts of appropriations as well as cut out, oftentimes, overlapping and duplication.

Mr. MAY. Mr. Chairman, will the gentleman yield further?

Mr. WOODRUM. Just briefly.

Mr. MAY. I have been thinking of introducing a bill to provide a joint committee of Congress, three Members to be chosen from this body and two from the other body, three from this body because the House is the appropriating body, to do just this. If the gentleman thinks it is advisable, I wish he and his committee would consider such legislation.

Mr. WOODRUM. I do not think that would be advisable, because a Member of Congress has not the time or the disposition to do it, and he ought not to be charged with the duty of doing it. But I may say to the gentleman from Kentucky that in the Appropriations Committee of the House we have one of the most efficient set-ups in the way of clerical assistance I have ever seen in the Government service, headed by Marcellus Shield, this young man who sits here assisting me, and these other young gentlemen who handle these bills. They work day and night on them. They have a great deal to do; they do not have the time, and we could not put on them the duty of going out into the field as our representatives to sit by our side and give us some evidence for the defense when a department comes in.

Mr. MAY. Something like that ought to be done.

Mr. WOODRUM. It would not be an expensive set-up, and it would more than pay for its maintenance.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 10 additional minutes.

Mr. DARDEN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DARDEN. I agree with the gentleman in what he says about the Civil Service Commission. I had an experience quite similar to his within the last 3 months.

I want, however, to direct his attention to another phase of the bill. Prior to the Economy Act there were hospital facilities for the veterans to the extent of 502 beds in the Portsmouth naval hospital at Portsmouth, Va. The pending bill carries \$1,939,062 to cover transfers to other governmental departments. Since the Economy Act we have not been able to get any space in the naval hospital at Portsmouth, and we have been able to secure only 103 beds at the public-health hospital in Norfolk. Would it be possible to utilize any of these funds for the purpose of making again available 502 beds at the naval hospital in Portsmouth, or a reasonable number of beds if 502 cannot be provided for?

Mr. WOODRUM. My colleague called this matter to my attention this morning. I requested information from the Veterans' Administration and learned the following: Prior to the Economy Act a great many beds were used in naval hospitals other than Veterans' Administration facilities. The policy since the Economy Act has been to put the veterans in Administration facility homes and hospitals wherever it could be done. This has greatly reduced the number of veterans who were using outside facilities, because we have been able to get additional facilities and to enlarge and expand existing facilities.

With reference to my colleague's particular problem I will call his attention to the fact that there has already been approved, and there is now being proceeded with as fast as possible, the expenditure of \$750,000 for the erection of a new 500-bed general hospital, which the Veterans' Administration feels will be sufficient to take care of needs in that

vicinity. In the meantime the Veterans' Administration told me they will be very glad to cooperate with the gentleman and the people in that district in taking care of needy cases.

Mr. DARDEN. It is the meantime with which I am particularly concerned.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. COCHRAN. Did I understand the gentleman to say he felt that a reasonable charge should be made to anyone desiring to take a civil-service examination?

Mr. WOODRUM. The gentleman correctly understood me; yes.

Mr. COCHRAN. I do not agree with the gentleman's view. I have a very important question. Does not the gentleman think it would be more important to place some kind of limitation upon this appropriation for the Civil Service Commission that would prevent them from using any of this money to hold examinations where they place an age limit so low that a man or woman of 35, 40, 45, or 50 years of age is denied the right, as he is in many instances, of taking the examination? I feel if the Government sets a low age limit it will be followed as a standard by corporations. It is a very serious thing to say that a man or woman of 35, 40, 45, or 50 years is no longer able to hold a position or should be denied the right to take a Government examination.

Mr. WOODRUM. The gentleman raises a very interesting sociological question. I agree with the gentleman that a man reaching the age of 45, 50, or 55 is just beginning to blossom into the bloom of life.

Mr. COCHRAN. Look at the gentleman himself.

Mr. WOODRUM. Yes; and look at the gentleman from Missouri.

Mr. COCHRAN. I am not quite as good as I used to be. A year ago I was pretty good, but I am not quite as good as I was then; but I am coming back fast.

Mr. WOODRUM. The gentleman looks very good, and we are very happy to see him in such excellent condition. I may say he is a most useful Member of Congress. All of us look forward to many more years of association with the gentleman.

Mr. COCHRAN. I thank the gentleman. While I am on my feet let me say that I fully agree with what the gentleman says with reference to the Committee on Appropriations getting some information to offset the information which the department head gives. The gentleman handles the appropriation for the General Accounting Office for the Comptroller General. That is an agency of the Congress, not an agency of the executive branch of the Government, although the President does appoint the Comptroller General. Does not the gentleman from Virginia believe that we could arrange with the General Accounting Office to have a force of men do the very work he has suggested being done? Mr. McCarl has never denied one request that my committee has ever made of him with reference to getting information for the committee along the lines that the gentleman from Virginia has suggested.

Mr. WOODRUM. I think that would be helpful, but I believe the personnel ought to be answerable only to the Appropriations Committee of the House. Those people should be the confidential informants of the Appropriations Committee. That is what I have in mind. There should not be an agency mixed up in it. The personnel ought to be the agents of the Appropriations Committee of the House only.

Mr. COCHRAN. If the information is made confidential it will not get to the public, and the only way to get things working properly is to let the public know what is going on.

Mr. WOODRUM. But let the Appropriations Committee throw light on it. Let them get the information and then throw the light on it.

Mrs. ROGERS of Massachusetts. Will the gentleman yield to the gentlewoman from Massachusetts.

Mr. WOODRUM. I yield.

Mrs. ROGERS of Massachusetts. Is there any provision for 60 beds for the Chelsea Naval Hospital? The ex-service men in Massachusetts are very much in need of the surgical care which that hospital provides.

Mr. WOODRUM. I may say to the gentlewoman from Massachusetts that it is impossible for me to keep in mind all the individual cases; however, I have a chart I shall be glad to show the gentlewoman, which shows the existing beds, the vacancies, and so forth. She might be interested in looking at this chart, and perhaps this will give the information desired.

Mrs. ROGERS of Massachusetts. Would the gentleman agree to an amendment to take care of that situation if it is not already taken care of?

Mr. WOODRUM. I should be glad to discuss the matter with the gentlewoman.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. I am a member of the Appropriations Committee and should like to make a statement. With reference to this responsibility of the Appropriations Committee, I emphasized last year the very matter to which the gentleman refers. It is my belief that it is an error that these high-class men connected with the Appropriations Committee are not permitted in vacation, when they do have time, to visit the various departments and bureaus and have the power of inspection and visitation. Further, they ought to have the power to sit in on the hearings of the Budget. I think those are two constructive suggestions.

Mr. WOODRUM. I thank the gentleman.

Mr. WHITE. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Idaho.

Mr. WHITE. With reference to the item of \$5,363,476 for Foreign Service pay adjustment, does this result in increasing the pay of those in the Foreign Service?

Mr. WOODRUM. Not at all. Congress passed a law authorizing the reimbursement of our representatives in foreign countries where, because of an appreciation of the currency, their salaries have been reduced. They have to take the money that we send them and convert it into foreign exchange. In many instances, because of a disparity in exchange, their salaries were cut almost in half, and this brings them up to the equivalent of what we paid them before devaluation.

Mr. WHITE. Does it take into account the change in the monetary units of the different countries and the decrease in the value of the foreign monetary units?

Mr. WOODRUM. Certainly.

Mr. WHITE. This does not operate to increase their pay at all?

Mr. WOODRUM. This does not operate to increase anyone's pay.

Mr. CURLEY. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. CURLEY. I have listened very attentively to the gentleman's explanation of this matter. I was very much surprised to learn that the Appropriations Committee has not this personnel which the gentleman says is needed to provide the information necessary for an intelligent conclusion as to the amount required to defray the expenses of the various departments in our great Government. I may say to the gentleman that that system is now in effect in the great city of New York. The executive budget has such a personnel provided. The budget director has a staff of inspectors, or examiners, as they are called, and they are in touch with the various heads of the departments throughout the city from the time the tentative budget is received by the budget director to the time final report is made.

Mr. WOODRUM. I thank the gentleman.

Mr. Chairman, I want to comment upon one or two new activities in this bill.

We carry here an appropriation for The National Archives in the sum of \$617,000. This is not one of the new agencies that has grown up under this administration, though I am

sure the present administration would be quite willing to share in the responsibility or the credit. I think it is more of a credit than a responsibility so far as the establishment of that great department is concerned. I have in my hand a very interesting set of photographs which I desire to pass among the Members, if it is not dramatizing too much what I am trying to say.

I should like the Members to see what the agents of the National Archives found when they went into some of the great departments of our Government to locate important papers and documents connected with those departments. In many instances these papers and documents vitally concerned not only the history of the country but the activities of the several departments. I will have these photographs passed around in order that you may see what the subcommittee saw and what we found to be the situation in so many instances. These various bureaus and departments of the Government had valuable records, which could not be replaced, stored in barns and cellars. They constituted not only a fire hazard but were subject to decay and disintegration, and these records were in such condition in many instances that it would certainly embarrass the Government in years to come if we had occasion to find those records.

[Here the gavel fell.]

Mr. WOODRUM. I yield myself 10 additional minutes.

Mr. Chairman, I hope the Members will take occasion to visit The National Archives, a new organization, which inhabits a nice new building down here on Pennsylvania Avenue. Go down and look it over.

I think it is a credit to the country. It was started under another administration and has been carried on since. It is not a partisan activity but is an institution which will not only perform a useful service but for which every Member of the Congress may feel perfectly justified in having voted reasonable appropriations. They are engaged now in going through the departments and segregating the important papers which should be preserved, taking them to The National Archives, cataloging them, and putting them away for the benefit of future generations.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DUNN of Mississippi. I ask this question as a matter of information. Is there any committee connected with the gentleman's work that contemplates asking for an additional \$3,000,000 to be used in connection with the Archives Building?

Mr. WOODRUM. I have never heard of it.

Mr. DUNN of Mississippi. I ask this by virtue of certain information which my committee, the Committee on Expenditures in the Executive Departments, has had recently.

Mr. WOODRUM. So far as I know, no such estimate or request has been made. The estimate for The National Archives, which the committee has allowed, is \$617,000, which is very much less, I will say to the gentleman, than the estimate which was made when the Archives Building was originally contemplated, both as to cost and personnel.

Mr. DUNN of Mississippi. Is there any proposition with regard to providing any additional equipment or adding any extension to the standing Archives Building?

Mr. WOODRUM. None that I have ever heard of, and I may say to the gentleman that there will have to be an authorization for any such appropriation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CRAWFORD. Referring to civil-service work, I am informed by the President of the Civil Service Commission that when these people take an examination he refers those having the three highest grades to the head of the department interested. Now, let us assume that these three people belong to or support three different political parties. Is it not possible for the party in charge to select from that list of three any particular one he desires to put on the job and thus make it a matter of political appointment?

Mr. WOODRUM. The head of the department has always had, under this and other administrations, the right to choose between the three, and I may say to my friend I think he ought to have a larger right than that. A civil-service register is established without reference to political considerations, and I think the department head, if he is trying to select a person for a particular job, ought to have sufficient latitude to be able to get the person who the Civil Service Commission has said is qualified and the one he thinks is suitable for his particular work.

Mr. CRAWFORD. Under that procedure the one having the highest grade may lose out and the one having the lowest grade may be selected.

Mr. WOODRUM. That is true, but the difference between the highest and the lowest grade in such cases would be so small as not really to affect their qualifications.

Mr. RICH. There is another thing involved, if the gentleman will permit. Sometimes a man may not stand so high in his examination, but he may have personal qualifications that fit him for the position a great deal better than one who may have been able to answer the questions correctly.

Mr. WOODRUM. Exactly.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to my friend from Indiana.

Mr. LUDLOW. Has it come to the gentleman's notice that the Civil Service Commission also is perhaps running somewhat to seed in requiring scholastic degrees of applicants? I may say that it was brought to our attention in connection with the work of another subcommittee that scholastic degrees are required, for instance, of Secret Service agents, although the head of this activity very positively testifies that this should not be a leading factor in the equation at all and that it is not necessary to hold a scholastic degree in order to be an effective Secret Service agent. I am informed that more than ever before the Civil Service Commission is requiring scholastic degrees in connection with civil-service examinations and I am wondering if the gentleman knows about this. I am one of those who believe that there are many highly efficient persons who do not happen to have scholastic degrees.

Mr. WOODRUM. I would not like to subscribe to the gentleman's observation that they are running to seed, but I think there is a little "brain trust" down there somewhere or a group of Ph. D.'s or D. D. S.'s or some other kind of alphabetical designation that ought to be broken up and a little more common sense put into the examinations.

Mr. GOODWIN. Mr. Chairman, will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. GOODWIN. What has the Archives Building and its equipment cost us up to the present time?

Mr. WOODRUM. Between \$12,000,000 and \$13,000,000.

Mr. GOODWIN. I presume it is one of the functions of the Archives Department to prevent duplication of work, and may I ask the gentleman whether, in the appropriations for this year a reduction in the appropriations of such departments has been contemplated?

Mr. WOODRUM. I may say to my friend I do not understand that it is in any sense the function of the Archives Department to reduce duplication of work. I do not know what the gentleman means by that.

Mr. GOODWIN. The Federal Register.

Mr. WOODRUM. The Federal Register is a new function for which we provided in the last Congress and put under the Archivist.

The Federal Register is for the purpose of publishing rules and regulations of Government departments which have the force and effect of law. I remember that my friend from New York, Mr. Bacon, and many Members of Congress were interested in that. You will recall that many agencies have authority to issue rules and regulations which have the force and effect of law, and they will be published in that register.

Mr. GOODWIN. The appropriation of \$617,000 contemplates the publishing of the Federal Register?

Mr. WOODRUM. Yes.

Mr. GOODWIN. May I ask if all the edicts, rules, and regulations issued by heads of departments are going to be published in the Register?

Mr. WOODRUM. The basic law provides for a committee consisting of a representative from the Justice Department, and others, with the Archivist, who may decide which rules and regulations of the heads of departments will be published in the Federal Register. It is not contemplated that all the rules and regulations, some of which are purely local, shall be published. That would be a task beyond the purpose of the publication.

Now, I should like to say something more—I do not wish to consume any more time, and I see that my time is about up. I do not like to take the time of the House, but I should like to have unanimous consent to conclude my remarks, which I will do very soon.

Mr. MORAN. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia may conclude his remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUM. Now, as to the General Accounting Office. I do not believe the average Member of Congress or the average citizen appreciates the importance of the General Accounting Office.

The Comptroller General is a representative of the legislative branch of the Government. In my judgment, the present Comptroller General has performed his duties well. It is his duty to see that the Government bureaus and agencies spend their money only for the purpose that the legislative branch of the Government has given them the power to do. It is the safety valve of the Government.

All money given a bureau should go through the General Accounting Office. If you do that, you will have to double the appropriation, and it will be the best insurance that you could possibly have. They have a wonderful organization—lawyers, clerks, and everything connected with it. If you are interested, you ought to inform yourself about it. It has recovered for the Government large sums which bureaus and organizations had no authority to pay.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. Many items have been held up because the General Accounting Office thought that they were not authorized.

Mr. WOODRUM. Yes; it even tells members of the Cabinet what they cannot do and what they can do.

Another activity to which I call your attention is the Federal Power Commission. The Federal Power Commission is one of the self-supporting agencies of the Government, prior to the time we put new duties on them in the last Congress. The appropriation in 1935 was \$321,000. They collected in fees more than that amount of money. There is an opportunity in the bureaus and departments of this Government to charge reasonable service fees to citizens and agencies and units and organizations that use the facilities of the Government, which would bring into the Treasury untold millions of dollars and which would not be seriously complained of. The Communications Commission is another place where that ought to be carried out.

I call attention now to the largest item in the bill, the Veterans' Administration. The total appropriation for the Veterans' Administration carried in the bill is \$753,727,000. That is an increase of something like \$60,000,000 over the appropriation for last year. That increase is covered by something like \$40,000,000 for Spanish-American War veterans that we reinstated, and the rest of it is accounted for by the bringing in of something like 10,000 more beds in hospital and domiciliary facilities for the Veterans' Administration. When there is so much talk about inefficiency in the Government, I call to your attention the largest organization in our bill, and hold it up to you as an example of efficiency. Under this first item of salaries and expenses, \$86,500,000 for 1937, let us see what it includes. It includes all personal services, all supplies and materials, including food and everything, supplies, salaries for doctors, and transportation, and

so forth. The Government gives to every veteran that dies a new flag costing four or five dollars, and approximately 50,000 of them were given away last year. Something like 34,000 burials were paid for last year by the Government, amounting to \$3,400,000. All of that is in that item. Then there are transportation, rent, repairs, alterations, equipment, furniture. Something like \$2,000,000 in that item is for furnishings for new hospitals being brought in. Business is increasing with the Veterans' Administration. On the chart over to the left there will be found hospitals and domiciliary beds. In 1936 we had 66,600 available hospital and domiciliary beds in the Veterans' Administration. For 1937 it goes up 10,000. The estimate for 1938 is about 4,000 more than that, bringing it up to 77,000. I call attention particularly to the fact that between 1936 and 1937 there is an increase of 10,000 available beds for veterans in homes and hospitals. Not only that, but let us look at the increase in beneficiaries, shown by this chart under pensions. I wish I could take all afternoon and analyze this chart on veterans' benefits, which all of us ought to know when we talk to our veterans' organizations at home.

Mr. RICH. Mr. Chairman, will the gentleman yield at that point?

Mr. WOODRUM. Yes.

Mr. RICH. In reference to hospitals, is it the purpose of the Federal Government or the Veterans' Administration to continue the building of hospitals for additional beds, or is the Veterans' Administration going to utilize more beds that are now in public hospitals, which can be had for the use of veterans, which would help the hospitals as well as the veterans?

Mr. WOODRUM. There are two reasons why the Government has never used beds in private hospitals any more than it has. The first is that the veterans themselves do not want them. They want to be in hospitals and homes where their buddies are. The second is that the average cost in a general hospital is \$7 and some odd cents per day while in the Government hospital, where he gets exactly the same treatment, and, the Government thinks, a little better, a more personal treatment, it is \$3 and some odd cents per day. Of course, the gentleman knows that when you go to a private hospital, you have not only the cost per day for bed and board, but you have physicians', surgical, and medical fees.

Mr. RICH. Does that figure in in the cost of the Government hospital all of the overhead cost?

Mr. WOODRUM. No. Not if you consider as overhead the initial cost of construction.

Mr. RICH. Then it costs the taxpayers of the country a whole lot more in the veterans' hospitals than if they were taken care of in private hospitals.

Mr. WOODRUM. That is not so. The increasing load will be confined more especially to mental cases. They are increasing the load, and the reason that we are having to increase the facilities is on account of mental cases, and the private hospitals do not want those cases.

Mr. RICH. I was not thinking so much of that.

Mr. WOODRUM. Those cases constitute from 75 percent to 80 percent of the problem.

Mr. HEALEY. By domiciliary beds does the gentleman mean treatment of the veterans in their own homes?

Mr. WOODRUM. No; I mean veterans' homes. I am not speaking about patient treatment. There is not only an increase of 10,000 beds, but in 1935 there were 838,938 beneficiaries of all descriptions drawing compensation from the Veterans' Administration. In 1937 there will be 899,485, or an increase of 60,547 beneficiaries. There we have an increase of 10,000 hospital cases and an increase of 60,000 beneficiaries, but at the same time a decrease in the administrative cost in the total. How is that made possible? I want to be fair, I do not want to give the Veterans' Administration credit for anything to which it is not entitled. There are one or two places where this figures in. One is in the military and naval insurance, the old war-risk insurance.

Some of the veterans tell us that on the original policies they paid for all that insurance. They think they did, but

they did not. The Government has paid so far one and one-third billion dollars, and the veterans have paid \$454,000,000. The Government has paid about 75 percent. The veterans have paid \$454,000,000, to be exact, and the Government has paid one and one-third billion of the cost of that war-risk insurance. The Government has a potential obligation of some \$600,000,000 before that old contract is wiped out. The new policy which is issued, of course, is self-sustaining, and the veteran is paying for it. There is a reduction in this total cost of the Veterans' Administration. Here is a department whose activities are greatly increased, whose load is increasing, yet its administrative cost is being held down to the minimum. The veterans' organization is the largest activity in the Government.

Mr. REECE. Will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. REECE. Are the veterans paying the entire cost on the present insurance policies, or is some of the cost chargeable to the Government?

Mr. WOODRUM. None of it is chargeable to the Government except the administrative cost of handling it. The veteran is paying the entire cost of the policy, except that there is no charge made against the life-insurance fund for the clerical and administrative cost of handling it, which is not a great item because it is handled in connection with other affairs in the Bureau.

Mr. REECE. So that when dividends are paid to the policyholders, those administrative items are not taken into account and charged against the policy?

Mr. WOODRUM. Not at all; no, sir.

Now, I want to mention one other activity and then I will yield the floor.

Mr. SEGER. Will the gentleman yield right there?

Mr. WOODRUM. Yes; I yield.

Mr. SEGER. Will you say again what the number of deaths was last year? Did you say it was 50,000?

Mr. WOODRUM. I said they gave out approximately 50,000 flags.

Mr. SEGER. That would mean that 50,000 veterans passed away in that year?

Mr. WOODRUM. That is my understanding. It sounds like a great many, but that figure includes veterans of all wars. Now, I exhibit to you the latest model of a Douglas transport, with 17 or 18 passenger accommodations, and a cruising speed of 200 miles an hour. I am not definite, although I am reasonably sure of it, that that is the type plane which recently crashed in Arkansas. We have in our bill the National Advisory Committee for Aeronautics, which we think is one of the most useful activities of the Federal Government. That is a company of highly trained scientists and specialists who devote their time and energy to research and experimentation in airplanes and their problems. This particular Douglas plane, which is built very similar to the Martin clipper, has on it two notable improvements in aviation which were a direct result of the activities of the National Advisory Committee on Aeronautics. There is simply no way of placing a financial value on the work which that commission has done.

You may recall, in the first place, that in some of the older planes, and perhaps some of them are still in use, the engine was suspended over the fuselage. On some of them it was under the fuselage. It has been found by this commission, after careful investigation, that by placing the engine as you see it placed here, on the leading edge of the wing, not only do they get additional power but less interference, and they are able to get a higher speed and get decreased fuel consumption. It is because of that that these high-power planes are able to make a speed of 200 miles an hour. Now, they say that commercial transports are asking for planes that will go at least 300 or 350 miles an hour. That is going pretty fast.

Another development that this commission has brought to the field of aviation is this little hood which, in aviation parlance, is called a cowling. It is a little cap that goes over the edge of the motor. It is an air-cooled motor. It permits enough air through the propeller to cool the

engine, yet it prevents interference or resistance which retards the speed of the planes and causes an increase or acceleration in fuel consumption.

Those two propositions have been adopted by the manufacturers of airplanes all over the country now. The latest planes have them. This little wing that you see on the bottom of the plane which is controlled by the pilot and is lowered or put up at his desire is used when the plane comes down to a stop. That balances or equalizes the plane and permits a high-powered heavy plane to land with much more safety than it could have done otherwise.

The National Advisory Committee for Aeronautics was organized principally to serve the Army and Navy; to do their research and experimental work, but the benefits of their discoveries and research are made available for commercial aviation. I mention that just now because it seems to be so appropriate, right at a time when this great industry is growing; yet, with all of the precautions for safety which have been thrown around it, we find a few days ago such shocking things happen, as brought sorrow to the hearts of all of us.

Now, you have been very kind and patient and I want to leave the floor. I dislike to leave these charts without going into them much more in detail. I want to commend this to you, that you take the hearings and look them over, and especially look over the statement of General Hines on the Veterans' Administration, because every Member here is vitally concerned with that. This will give you accurate information of what we are doing for our veterans, so that when we go back home we can tell them the real story of what the Government is doing for their health.

Mr. SUTPHIN. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SUTPHIN. Is it not a fact that the National Advisory Committee for Aeronautics played a prominent part in the development of the retractable undercarriage?

Mr. WOODRUM. Yes. I neglected to mention that.

I want to thank you very much for your kind patience and attention. My colleague from Massachusetts, Mr. WIGGLESWORTH, will have something to say on this bill, and then we hope that, after such long debate, it will be the pleasure of the committee to permit us to proceed as expeditiously as possible with the reading of the bill. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include two short tables I have prepared and several letters which I have written to or received from agencies covered by this bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, at the outset I want also to express my appreciation of the courtesy which has been accorded me by the majority members of this subcommittee. I have had the pleasure of working on this bill for a number of years with the distinguished chairman of this subcommittee the gentleman from Virginia [Mr. WOODRUM]. He is one of the outstanding Members of this House. It is always a pleasure and a privilege to serve with him. I am indebted to him and the other majority members of the subcommittee for their consideration at all times.

There has been some discussion as to the totals involved in this bill. When we brought this bill on the floor a year ago, we provided for total appropriations amounting to about \$777,000,000, an increase of about \$160,000,000 over the previous fiscal year. During the year this total was increased by deficiency items until it reached the sum of \$805,000,000, or thereabouts.

The total made available by the bill before us today amounts to approximately \$927,000,000, or an increase of about \$122,000,000, as compared with the total for the present fiscal year. If we take into consideration five items to which the chairman has referred appearing in the bill for the present fiscal year but not included in the bill under

consideration, if we also take into consideration one or two items of reappropriation which are not reflected in the table at the end of the committee report, I think it is fair to say that the increase made available for the next fiscal year as compared with the present fiscal year amounts to well over \$127,000,000.

There are 22 items in the bill. Of these items seven reflect a decrease.

As has been pointed out, the increase is reflected in large measure both in the direct cost and in the indirect cost of new Federal activities set up under the present administration. It is also reflected in the items for the Veterans' Administration.

The principal item in the bill, of course, and one in which we are always greatly interested, is the item the chairman has just discussed dealing with the Veterans' Administration. This item amounts for the next fiscal year to about \$794,000,000, an increase of about \$67,000,000 over the present year. This increase is explained in three ways: First, by the liberalization, with which we are all familiar, in respect to Spanish War veterans who were so drastically cut under the terms of the Economy Act; second, by the increase of \$60,000,000 in respect to the adjusted-service certificate fund, an increase which seems to be largely academic; and, third, by an increase in respect to hospital facilities, to which the chairman has already made reference.

It will be recalled that last year emphasis was placed on the absolute necessity for additional hospital facilities, particularly for neuropsychiatric cases, of which there are today, unfortunately, no less than 21,000, and of which General Hines tells us we must ultimately expect a total approaching 44,000. If the construction program contemplated in this bill is carried through, it will make possible the expenditure of some \$12,000,000 in the present year, and some \$17,000,000 in the next fiscal year, providing an increase in the number of beds of about 12,000. To be exact, it is anticipated that we shall have a total of 55,858 hospital beds as compared with 44,793 as of June 30 last, and 21,216 domiciliary beds as compared with 20,073 on June 30 last. Four new units are included in the program, one at Reno, one at Detroit, one at White River Junction, and the fourth either in Alabama or Tennessee. The committee questioned General Hines as to the adequacy of this hospital program and was assured by him that in his judgment it should be adequate for all foreseeable needs during the next 5 years.

Turning now to the new activities carried in the bill, I call attention, Mr. Chairman, first, to the appropriation for the Interstate Commerce Commission.

Mr. MITCHELL of Tennessee. Mr. Chairman, will the gentleman yield before he leaves the subject of hospital facilities?

Mr. WIGGLESWORTH. Gladly.

Mr. MITCHELL of Tennessee. I am pleased to state that the subcommittee having charge of the location of a neuropsychiatric hospital are now making investigations in Tennessee and Alabama looking to the location of this facility. They are on the ground at this time through appointment by General Hines.

Mr. WIGGLESWORTH. I thank the gentleman for the information.

In the item for the Interstate Commerce Commission the committee will find provision for two additional activities, \$160,000 for air-mail regulation and \$1,700,000 for motor-transport regulation. Both of these, of course, result from recent legislation. I call attention to the fact that the Commission has decided that it is desirable, insofar as motor-traffic regulation is concerned, to organize an independent unit under the supervision of those having motor-carrier experience, exercising control over the hundreds of thousands of carriers brought under the jurisdiction of this unit through an extensive field force, the country being divided into 16 districts, the work being carried on in co-operation with the several States. The Commission feels that the peak in the work of this activity will be reached almost immediately because of the necessity of issuing cer-

tificates of public convenience and because of the necessity of the determination of tariffs.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. MARTIN of Colorado. Before he leaves the subject of motor-truck transportation, can the chairman give us any explanation of the very considerable difference between the amount asked by the Commission and the amount allowed by the Budget and the Appropriations Committee?

As I understand it, the Commission asked for \$3,000,000. The amount carried in the bill is only \$1,700,000. Yet the peak of the work will be reached immediately. I wonder if, in the gentleman's opinion, the amount carried in the bill is sufficient to meet the situation?

Mr. WIGGLESWORTH. The committee did not feel justified in raising the amount. I may say to the gentleman that in several cases in this bill he will find that the amounts requested, particularly by the newer activities, have been very materially slashed by the Bureau of the Budget.

For the Railroad Retirement Board there is carried a total appropriation of \$47,645,000, all of which, with the exception of \$1,025,000, is for the payment of annuities estimated as payable during the next fiscal year. The Board estimates that there will be some 40,000 persons who may be expected to apply for annuities as of the 1st of July next. Annuities are payable at the age of 65 or at the completion of 30 years of service. The maximum monthly payment is \$120, one-half of that sum being paid in the event of death to the widow or next of kin. The Members of the House will have in mind the companion tax measure, which was passed along with this bill. The tax measure is effective until February 28, 1937. The Board estimates the yield from this tax at between \$135,000,000 and \$140,000,000 and makes the further estimate that if continued in effect the receipts from this tax should about balance estimated annuity payments as of the year 1950.

I commend to the members of the committee the testimony of the Federal Power Commission and the Securities Exchange Commission for some idea of the enormous additional duties that have been placed upon the shoulders of those two agencies under the public-utility holding company legislation. The bill carries \$1,325,000 additional for duties devolving upon the Power Commission and \$1,223,400 additional for duties devolving upon the Securities and Exchange Commission.

The National Labor Relations Board is, of course, another new agency provided for in the bill.

Mr. CONNERY. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from Massachusetts.

Mr. CONNERY. With reference to the National Labor Relations Board, I understand the amount allowed by the committee is sufficient for the coming fiscal year. However, I understand that unless the amount is raised considerably in the deficiency appropriation bill, the Board will not be able to function between now and July 1. I call the attention of my colleague and the members of the committee to that fact.

Mr. WIGGLESWORTH. I think the Board is one of the agencies that feels it has been severely cut at the hands of the Budget Bureau.

The Board as at present constituted consists of three members, with a total personnel of 146, functioning through 21 regional offices. Three hundred and seventy-four cases have been received by the Board since September 14. Of these 105 have been definitely closed.

The Central Statistical Bureau has been referred to, and I shall not dwell upon it at length. One hundred seventy-five thousand four hundred and twenty dollars is provided in the bill. There is a maximum statutory limitation of \$180,000. Just to show the conditions confronting the Board, I call attention to the fact that the testimony in this connection indicates the existence of about 180 statistical agencies in Washington. There are more than 20 Federal agencies engaged in collecting statistical data pertaining to

electricity, almost identical information being required by a number of these agencies.

The testimony indicates that the Board recognizes "a rapidly increasing resentment on the part of the public against the number of statistical inquiries"; also that "a chaotic situation" resulted in 1933 from the discontinuance of long-established statistical services under the Economy Act, while new agencies, particularly under the N. R. A., were springing up, proposing to do with newly organized forces the same sort of work that old agencies were being compelled to discontinue; also that the Board believed at that time that unless coordination could be brought about "the burden upon respondents would be intolerable"; also the fact that the Board has "disagreed violently with some of the philosophy of the Works Progress Administration and its predecessor organization", leading to the disapproval of projects that "would have harassed the public * * * and produced statistics that might have been worse than useless."

The Board cited in this connection the placing of enumerators on station platforms "to interview commuters going to New York upon their breakfast habits." This testimony, I think, gives some idea of the maze of uncoordinated effort, the duplication of effort in this field of work as between the many Federal agencies. The Board hopes to contribute to bringing some order out of existing chaos and, incidentally, to realize the saving of substantial sums of money.

Mr. RICH. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. RICH. There was something suggested this morning I should like to comment upon. If the Statistical Board had the power to eliminate a lot of this duplication, it would accomplish a whole lot more in doing away with the work that one department is doing in duplication of that of another. Does the gentleman not believe it would be wise for Congress to adopt the policy of giving this Board the power to make these adjustments?

Mr. WIGGLESWORTH. I think the Board should be given a chance to see what it can do. I think it has paved the way for helpful action, and, for my part, I am willing to give it a chance. It is confronted by a chaotic situation, and I hope it may accomplish something of real value.

One other new activity has been referred to, and that is the Federal Register set up as a branch of The National Archives. The Members of the House are familiar with the impossible situation which has arisen during the past 34 months as a result of the issuance and cancellation of Executive orders, proclamations, rules, and regulations by this and that Executive agency, having the force of law, as a result of authority delegated or surrendered by the Congress. It has been impossible to know what orders have been issued, what orders have been withdrawn, or where to find applicable orders. It is the aim of this new activity, as I understand it, to collect, compile, and publish all orders, rules, regulations, and other documents of this kind having general applicability.

The publication is to be made first through a daily register which it is planned to publish about five times a week; and, second, through a supplement which it is estimated will require from 10 to 20 volumes. The purpose is to provide in this way a register which may be turned to and used as a reference book just as the volumes containing the laws enacted by the Congress are used today. It is hoped in this way to mitigate to some extent the trials of government by Executive order by which we have been confronted during the last 3 years.

Mr. RICH. Mr. Chairman, will the gentleman yield for a question?

Mr. WIGGLESWORTH. I yield.

Mr. RICH. When the gentleman started his discourse this afternoon he stated there was an increase in this bill of \$127,000,000 in the 22 items which it carries, but the report states the increase is \$74,509,747.

Mr. WIGGLESWORTH. If the gentleman will add to this figure the amount of \$47,600,000, or thereabouts, appearing

as a saving realized by the committee, but in fact a saving through the medium of reappropriation of unexpended balances, he will arrive at the approximate total which is made available through the medium of this bill.

Mr. RICH. Does not the gentleman think in enlightening the Members of the Congress these savings taken from other appropriations should be included in the totals, so we would be properly informed of the total amount of increases in the appropriations of the departments from one year to another?

Mr. WIGGLESWORTH. I think the committee has been very frank as to what the savings actually are. The chairman made it very clear in his remarks.

Mr. RICH. I should also like to ask the gentleman this question: In the last several years when we had the reports of the Appropriations Committee on these various department bills, we have found out that funds have been delegated from various channels and reappropriated to the various departments. Does the gentleman now know whether funds of the Federal Government from any other source are going to be applicable to these bureaus and establishments during the year 1937?

Mr. WIGGLESWORTH. I cannot assure the gentleman, of course, as to the future. I can say, however, that the committee has endeavored, consistently, to check up on each and every activity appearing before it as to funds which it has received in the past, and the gentleman will find a statement by each agency as to what funds, if any, have been received from emergency appropriations.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself an additional 20 minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. WIGGLESWORTH. Yes; I am glad to yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman tell the House how much more the present bill carries by way of appropriation than the bill of last year?

Mr. WIGGLESWORTH. I stated at the outset of my remarks that the total amounts to approximately \$127,000,000, explained in part by the direct cost of additional activities, in part by their indirect cost, and in part by an increase in the item for the Veterans' Administration.

I want to say a word about the indirect cost of some of these new activities, because I think that a glance at the appropriations for such agencies as the General Accounting Office, the Civil Service Commission, and the Employees' Compensation Commission makes this indirect cost very apparent.

Let us take the General Accounting Office just for a moment. You will find a total appropriation of over \$5,300,000, or an increase of over \$336,000, as compared with the present fiscal year. This appropriation takes care of a force of about 2,400 employees; but in addition to this amount there is the sum of approximately \$3,000,000 provided out of emergency funds taking care of a further force of 1,700 employees on a temporary status. Some idea of the increase in work devolving upon this Office is found, I think, in the fact that normally, before this administration, the Office was called upon to audit about 31,000,000 checks each year. This number has now risen to about 90,000,000; and in addition to this the Office testifies that there are from 7,000,000 to 8,000,000 checks each month coming in in respect of the \$4,800,000,000 lump-sum appropriation made available to the President during the last session. The testimony indicates that even if there should be curtailment in the spending activities of the departments and agencies during the fiscal year 1937 the effect would not be felt by the General Accounting Office for at least a year thereafter. I quote from the testimony:

There is only one ray of hope—that agencies may become more proficient and thus make our work less difficult. * * * As yet, however, there has been little to justify encouragement in this regard.

For the Civil Service Commission, Members will find a total appropriation of \$48,885,000, an increase of about \$6,255,000. Of this sum \$6,050,000 is in respect of the civil-

service retirement fund, resulting, in large measure, from work in connection with the 30-year retirement law.

For the Federal Employees' Compensation Commission the bill provides an appropriation of about \$5,300,000—\$4,750,000 being for the employees' compensation fund, an increase of half a million dollars over the present fiscal year. The increase, of course, is the result of the increased number of civil employees in Federal agencies, including administrative personnel for relief agencies.

The Commission reports 34,325 compensation cases, an increase of 25 percent during the fiscal year 1935.

I want to emphasize that this is only a beginning insofar as compensation cases are concerned. In addition to the employees' compensation fund there are three special funds set aside applicable respectively to the C. W. A., the C. C. C., and the W. P. A. workers.

Eleven million dollars is available for the C. W. A. workers. There have been 168,855 cases, with expenditures to date of about \$4,000,000, and an estimated total of \$28,000,000.

For the C. C. C. there is a fund of \$5,200,000 available. There have been reported to date 16,797 cases, with a total expenditure of \$300,000.

The W. P. A. fund is \$28,000,000. A supplemental estimate will be submitted in this connection. Between 450 and 500 applications for compensation are being received each day.

Mr. BOLTON. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. BOLTON. Those are for compensation alone. Will the gentleman call attention to the fact that medical treatment is also given the W. P. A. and the C. C. C. workers, in addition to the compensation fund, which means an expenditure of millions of dollars.

Mr. WIGGLESWORTH. That is correct. The additional cost is, of course, impossible to estimate.

Mr. GIFFORD. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. GIFFORD. I was hoping that the gentleman would go into the Securities and Exchange Commission as to the indirect cost. I presume there was no estimate made before the committee as to the indirect cost to the people of the country.

I thought when the gentleman talked about indirect costs, that probably it might be a matter of some interest.

From the testimony offered—and I read the hearings in entirety—it seems to me many pertinent questions were not asked by the committee. Now, I wish to ask if the type of reports for purposes of registration that are required are not proving very costly to the corporations and individuals?

Mr. WIGGLESWORTH. I was not attempting to cover the whole field of indirect cost but merely to state two or three instances where it seemed to me to be obvious.

Mr. GIFFORD. What I wanted to bring out is this: It has constantly been stressed that when we placed these new activities with power to make corporations or individuals make just the exact statement the particular activity required, it is very costly to the particular company. Take the income tax. It costs the people of the United States \$400,000,000 to make returns and recover taxes illegally collected. In every instance when we add to these activities I would like to see real justification and results from such activities. I should like to know whether it has been a deterrent, whether registrations to date have been asked for just for the sake of refinancing at present low rates of interest, and why new activities fear to register.

I see the chairman of the Committee on Interstate and Foreign Commerce present. I want to know whether I am correct in my supposition. The registrations for new business and new activities have been extremely small—\$30,000,000 out of a billion and a quarter the first 6 months of 1935, as I recall it, and before that even less. The Appropriations Committee is the only committee having opportunity to question the Commission. I am interested. I am on the Committee on Expenditures. We cannot get a single activity of the Government before my committee to ask them to justify their expenditures, and that is why I have

asked these general questions of this committee. When you are appropriating this money they should justify their activities. The gentleman will pardon me, but that is not a criticism of his committee. But this is the information we desire.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Yes.

Mr. TABER. I wonder if the gentleman can tell us anything about the number of employees assigned from different bureaus and departments to other bureaus and departments in this bill. For instance, I know that there is a very large amount of that sort of thing going on, and it makes it almost impossible for the congressional committees to tell what is going on in these executive bureaus and departments if we do not know just how many employees are paid out of particular funds, who are doing work in these different bureaus and independent offices.

Mr. WIGGLESWORTH. It is difficult to answer that question in a general way. I think there has been some of that which has been reflected in the bill, but, on the other hand, the committee has tried to check up in each instance. I recall that certain of those carried on the rolls of the National Recovery Administration, for instance, were made available, I think, to the Trade Commission, and, of course, a great many temporary employees have been made available in some instances out of emergency funds.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Yes.

Mr. RAYBURN. Noting the interrogation of the gentleman from Massachusetts [Mr. GIFFORD] with reference to the Securities Commission and the administration of the Securities Act, it has been my definite impression for the last 18 months that whatever the gentleman calls the burdens placed upon companies that desire to float a new issue of securities, it has not been deterred by the act. I am speaking of those companies of the better type. Of course, there are companies in the country that in the past, without the people knowing the facts called for in these questionnaires, have issued securities and sold them to the public that were practically entirely worthless. I call the gentleman's attention to this fact. During the years from 1922 to 1932 there were issued in this country by various corporations \$50,000,000,000 in new securities.

The Department of Commerce, over which Mr. Hoover presided for 8 years, made an investigation of those securities and gave it as his deliberate judgment that \$25,000,000,000 of those were not worth the paper on which they were written. It was to discourage things of that sort that the securities act was passed, and that called for the facts with reference to a company, its financial condition, its history, its prospects, and so forth, so that the Commission, if an inquiring prospective investor asked the question, could give him the facts with reference to that company. The securities act was not passed to stop or prohibit a company from issuing securities and it does not do that. It simply says that in order to float their securities in interstate commerce they must register with the Securities and Exchange Commission and give all the facts that that Commission asks for.

Mr. GIFFORD. Does the gentleman recall the company that I have just referred to which was put to an expense of a million dollars to do that—a very respectable company?

Mr. RAYBURN. It was a far-flung company, which, as I remember, had not had an audit or made an accounting to its stockholders for more than 10 years. It was a far-flung company. It owned businesses in many States of the Union, and in my opinion the Securities Commission did, not only that company but all of its stockholders, a very great favor in bringing its business up to date.

Mr. GIFFORD. Will the gentleman yield that I may put one more question?

Mr. WIGGLESWORTH. I am always glad to yield to my colleague from Massachusetts.

Mr. GIFFORD. This is an important matter. The Commission appeared before the gentleman's committee and justified their existence by telling how many crooked stockbrokers they closed out of business in Boston, but I can get

the figures, I think I have them partially. Does the gentleman from Texas [Mr. RAYBURN] not know that very few registrations have been made before that Commission for new activities?

Why is it? Has this proved a deterrent and an expensive proposition, and has it justified putting out of business a few crooked stock brokers?

Mr. RAYBURN. Not at all, for the reason that the gentleman must know the country has not been in shape to launch new business. It has been difficult enough to refinance the business we have, and a great deal of that has not been refinanced. What we try to do in this act, and I hope the gentleman from Massachusetts will pardon me, so far as I am concerned, with this statement I am through—what we tried to do in this act and in the administration of it was to hold up the good company that has not in the past issued spurious securities, that has conducted a good business. In other words, we tried to take the desperado out of business, who in the past has been disgracing the man who tried in the same line of business to do a decent, high type and fair type of business.

Mr. GIFFORD. Closing my remarks, Mr. Chairman [laughter], if, to catch a few crooks, this enormous expense and this real deterrent to business is justified we should be informed. The gentleman speaks about this not being a good time to launch new business. There has not been any degree of confidence in launching new business. We insist that this has been a deterrent to new business.

Mr. RAYBURN. Of course, I deny that it has been a deterrent to the proper kind of business.

Mr. GIFFORD. Of course, I am wrong [laughter], but I think these questions might bring some results, and I again ask why we are appropriating all this money simply to catch a few crooks in Boston.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, under the rules of the House I have only a few minutes left. I wonder if I may have the same privilege as the gentleman from Virginia [Mr. WOODRUM] and ask unanimous consent to proceed until my remarks are concluded.

The CHAIRMAN. Without objection, the gentleman may proceed.

There was no objection.

Mr. TREADWAY. Will the gentleman yield for one further inquiry?

Mr. WIGGLESWORTH. I yield.

Mr. TREADWAY. I should like to call the gentleman's attention to the appropriation made in this bill for the maintenance of the Tariff Commission in the sum of \$941,000. In the hearings I do not find any reference to how that is divided, but I do find a table on page 16 of the committee's report showing the reciprocal trade agreement amendment to the Tariff Act of 1930, wherein \$178,000 is set aside out of the \$945,000 for reciprocal-trade agreements. May I ask the gentleman whether in the Organic Act establishing the Tariff Commission, there is any provision for an appropriation of that sort, in order to give the Department of State the power to investigate reciprocal-trade agreements, so-called? I personally do not see why that item should be included in the needs of the Tariff Commission for the purpose for which we suppose the Tariff Commission acts.

Mr. WIGGLESWORTH. I will say to my colleague that I cannot answer his question as to the organic act establishing the Tariff Commission. I am informed that the gentleman is correct in stating that the sum of \$178,000 was allocated by the Bureau of the Budget for reciprocal-tariff work in determining the total appropriation for the Tariff Commission.

Mr. TREADWAY. The gentleman makes a very illuminating reply. May I ask the gentleman's opinion as to the value of the work done by the Tariff Commission in looking up reciprocal trade treaty matters?

Mr. WIGGLESWORTH. I had intended to go into that before concluding my remarks, if allowed to conclude them.

I may say, however, that in my judgment the value of the work done by the Commission in this connection has certainly not been established by the testimony before the subcommittee.

I do not want to presume on the time of the Members unduly, but I do want to make three or four observations of a general character before concluding my remarks.

The first observation I would make is this: Yesterday my colleague from Massachusetts, Mr. CONNERY, introduced a resolution of investigation with reference to the work of the Federal Communications Commission. I was particularly interested in this resolution and in the remarks which the gentleman made in connection with it, because it seems to me that our minds have been running along similar lines in this connection. As a matter of fact, under date of January 4, as a result of the hearings and developments incident to those hearings, I addressed a letter of inquiry to the Communications Commission. I have just received a reply to that letter. Under the authority already accorded me, in view of the interest of the matter at this time, I shall insert at this point in my remarks a copy of my letter and the reply.

JANUARY 4, 1936.

HON. A. S. PRALL,
Chairman Federal Communications Commission,
Washington, D. C.

DEAR MR. CHAIRMAN: With further reference to your testimony before the subcommittee on appropriations for the independent offices, and in light of questions raised since that time, I should appreciate it if you would be good enough to furnish me with answers to the following questions:

1. How many of the high-powered, clear-channel radio stations (about 40 in number, I believe) are owned or operated by those independent of and not affiliated with any of the three major networks?
2. To what extent evening time, between 8 and 10, has been sold during the past year to agencies acting for national advertisers?
3. The extent of control, if any, exercised by your Commission over leases or assignments by licensed stations.
4. The foundation, if any, for the assertion that licensed stations have in fact concluded leases for long periods of time (5 to 10 years, for example)?
5. The foundation, if any, for the assertion that one license was issued without cost to the licensee, the licensee with or without approval of your Commission having concluded a 10-year lease calling for a payment of several million dollars?
6. Extent to which leases by licensees, when approved by your Commission, are a matter of public record and open to inspection?
7. Whether or not it is the intent of your Commission to give any further consideration to the petition addressed to you under date of April 5, 1935, bearing the signatures of 16 Members of the House of Representatives in the light of affidavits said to have been filed with your Commission.
8. Whether or not in such inquiry as was made in this connection the parties or any one of them making the affidavits referred to were examined and, if not, the reasons for nonexamination.
9. Whether or not your Commission has ever ascertained how the trade publication, *Broadcasting*, happened to publish on or about May 1, 1935, the statement in regard to the activities of the Commission in this connection.
10. The basis for revoking or refusing to renew the license of the Meyer Broadcasting Co.
11. The steps taken by your Commission, if any, to secure compliance with "cease and desist orders" issued by the Federal Trade Commission.
12. In what instances, if any, has compliance proved difficult or impossible.
13. The foundation, if any, for the assertion that in at least one instance 22 months have elapsed before final briefs are presented after case is before your Commission.
14. The length of time that your Commission has had under consideration the question of issuing an additional license to the Shepard Broadcasting Co. or one of its subsidiaries.
15. A list of radio stations owned, controlled, or operated by the Shepard Broadcasting Co. in New England and the percentage which those in Massachusetts bear to the total number in Massachusetts.

An early response would be greatly appreciated.

Sincerely yours,

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., January 13, 1936.

HON. RICHARD B. WIGGLESWORTH,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: In response to your letter of January 4, 1936, there are presented herewith answers to your questions as follows:

- (1) Five high-powered, clear-channel radio stations are owned or operated by those independent of, and not affiliated with, any of the three major networks.

(2) The records of the Commission do not disclose to what extent evening time between 8 and 10 has been sold during the past year to agencies acting for national advertisers, and I am, therefore, unable to give you this information.

(3) Section 310 (b) of the Communications Act of 1934 provides:

"The station license required hereby, the frequencies authorized to be used by the licensee, and the rights therein granted shall not be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of, or indirectly by transfer of control of any corporation holding such license, to any person, unless the Commission shall, after securing full information, decide that said transfer is in the public interest, and shall give its consent in writing."

Pursuant to this section, the Commission has promulgated its rule no. 103.18, which provides:

"An application for consent to assignment of a construction permit or license, or for consent to transfer of control of a corporation holding a construction permit or license, shall be filed with the Commission at least 60 days prior to the contemplated effective date of assignment or transfer of control.

"If the assignment of property of a station, or transfer of control of a licensee corporation is voluntary, the appropriate application shall be fully executed by both assignor and assignee and, if involuntary, by assignee only.

"In support of each such application affecting a radio station there shall be submitted under oath or affirmation, in addition to the information required by the forms furnished by the Commission, in properly marked exhibits, the following information:

"A. If the application is for transfer of license:

"(1) A complete detailed list of all the items of property and assets of the station, including intangibles; real property must be listed separately showing both the buildings and land. If no real property is involved, applicant must so state.

"(2) A similar list showing with reference to the items of property and assets given: (a) The original cost to the licensee, when and from whom purchased; (b) the present depreciated value and method of computing depreciation, and the replacement value and method of determining same.

This information may be given on one sheet in different columns, and the total of each column must be given. Applicant must show the latest tax assessed value, separately of buildings and land, together with the date of assessment. If the real estate has not been recently assessed or has not been assessed at full value, applicant must submit a report of independent appraisal of the realty, showing date said assessment was made, together with the name of the assessor.

"(3) A profit-and-loss statement of the assignor showing receipts and disbursements in detail and also profit or loss for a period of 6 months preceding the filing of the application;

"(4) A financial statement of the assignee showing in detail the items of assets and liabilities and assignee's financial ability to continue the operation of the station in the public interest, together with the date of said statement.

"(5) Where the assignment is voluntary, an executed copy of the contract or lease agreement which must provide (a) that assignee shall have complete control of the station, its equipment and operation, including unlimited supervision of programs to be broadcast; (b) transfer shall be subject to the consent of the Commission; and (c) the price, whether paid or promised, and all the terms and conditions of the proposed sale or transfer.

"(6) Where assignment of property of the station is involuntary, a certified copy of the court order or other legal instrument effecting the transfer, showing all the terms and conditions under which the transfer is made, including the consideration therefor.

"(7) A copy of the articles of incorporation of the assignee, if a corporation, showing its power to engage in radio broadcasting, certified by the secretary of state of the State in which the assignee is incorporated.

"(8) A list of names, nationalities, and addresses of incorporators, directors, and officers, and of all stockholders owning 5 percent or more of the stock of said assignee corporation and all corporations controlling said assignee.

"(9) Applicants for the Commission's consent to the transfer of a license from one licensee to another must join in a statement under oath as to whether there are contracts, agreements, or understandings (other than the one submitted under subparagraph 5 above), whether written or oral, which may in any wise affect or concern the transfer contemplated, the financial arrangements between the parties, the equipment of the station, or its operation or supervision. If there are no such contracts or understandings, the statement should clearly evidence this fact; if there are any such contracts, full and complete copies thereof properly executed must be submitted. Action will not be had on any such application until this information is fully supplied.

"B. If the application is for transfer of control of a licensee corporation:

"(1) A complete detailed list of all the items of property and assets of the station, including intangibles.

"Real property must be listed separately, showing both the buildings and land. If no real property is involved, applicant must so state.

"(2) A similar list showing with reference to the items of property and assets given: (a) The original cost to the licensee, when and from whom purchased; (b) the present depreciated value and method of computing depreciation, and the replacement value and method of determining same.

"This information may be given on one sheet in different columns, and the total of each column must be given. Applicant must show the latest tax assessed value, separately of buildings and land, together with the date of assessment. If the real estate has not been recently assessed or has not been assessed at full value, applicant must submit a report of independent appraisal of the realty, showing date said assessment was made, together with the name of the assessor.

"(3) A financial statement of the licensee corporation, control of which is to be transferred, showing in detail the items of assets and liabilities, together with the date of said statement.

"(4) A profit-and-loss statement of said licensee corporation showing the receipts and disbursements in detail and also profit or loss for a period of 6 months preceding the filing of the application.

"(5) If control of the licensee corporation is to be transferred by contract, a fully executed copy thereof, showing the date and all the terms and conditions, including the exact consideration paid or promised, with a condition that the transfer be subject to the consent of the Commission.

"(6) If control of said licensee corporation is to be transferred by involuntary means, a certified copy of the court order or other legal instrument affecting the transfer of control, showing all the terms and conditions thereof, including the consideration therefor.

"(7) If control is to be transferred to a corporation, a copy of the articles of incorporation, properly certified by the secretary of state of the State in which the corporation is incorporated;

"(8) A list of names, nationalities, and addresses of incorporators, directors, and officers, and of all stockholders owning 5 percent or more of the stock of said assignee corporation and all corporations controlling said assignee; and

"(9) Applicants for the Commission's consent to the transfer of control of a licensed corporation must join in a statement under oath as to whether there are contracts, agreements, or understandings (other than the one submitted under subparagraph 5 above), whether written or oral, which may in any wise affect or concern the transfer contemplated, the financial arrangements between the parties, the equipment of the station, or its operation or supervision. If there are no such contracts or understandings, the statement should clearly evidence this fact; if there are any such contracts, full and complete copies thereof properly executed must be submitted. Action will not be had on any such application until this information is fully supplied."

On August 21, 1934, the Broadcast Division promulgated its order no. 2, whereby, pursuant to the provisions of section 310 (b) of the Communications Act, it was ordered that the licensee of every radio station was required to file with the Commission on or before September 1, 1934, verified statements showing the following information as of July 15, 1934:

"1. If the licensee is a corporation—

"a. A list of the stockholders of record, together with the address and the amount of stock held by each;

"b. Whether the stock is voted by a person other than the record holder, and, if so, a copy of the agreement or other instrument authorizing same;

"c. A list of the officers and directors of said corporation, together with their addresses and the amount of stock held by each;

"d. Any other arrangement or agreement with any person or corporation which may affect the conduct or control of the business of the licensee corporation.

"2. If the licensee is a partnership, association, organization, or company (other than a corporation)—

"a. A list of the persons or corporations owning any interest therein, the amount of interest held by each person or company, and their addresses;

"b. A list of the officers and directors, and their addresses."

The licensee was further required to inform the Commission of any changes subsequent to July 14, 1934, in the ownership of stock in the licensee corporations or of the issuance of additional shares of stock and to whom issued, or any changes in the ownership of the licensee partnerships, associations, organizations, or companies. Appropriate forms for the furnishing of this information were supplied by the Commission.

Attention is particularly invited to paragraph 1 (d), which requires "any other arrangements or agreements with any person or corporation which may affect the conduct or control of the business of the licensee corporation." This of necessity includes leases or contracts for control of the station in whole or in part. The Commission has kept careful check to see that full compliance with this order was made by every licensee.

Every contract and agreement filed with the Commission under Broadcast Division order no. 2 or under section no. 103.18 is carefully scrutinized, and, if any doubt exists as to the legal effect thereof, the application is designated for public hearing, after notice to the applicant and other interested parties.

(4) The records of the Commission disclose that there are several licensed stations which have, in fact, concluded leases for periods of time from 5 years or longer. Where such contracts appeared the Commission required such licensees to file applications for permission to voluntarily assign the station license in question. You will understand, of course, that the act does not require licensees to be the owner of the station, and lessees may be licensees; but wherever a licensee executes a lease of its station to another, thus relinquishing control of the same without consent of the Commission, this constitutes a violation of the Communications Act of 1934.

(5) I have no knowledge or information with respect to your fifth question sufficient to form a belief, and therefore cannot answer the same. No approval has been requested, and none has been given, to any licensee for a 10-year lease calling for the payment of several million dollars. It is my belief that this statement is without foundation in fact.

(6) Rule 100.6 of Practice and Procedure of the Commission provides:

"Subject to the provisions of sections 4 (j), 412, and 606 of the act, the files of the Commission shall be open to inspection as follows:

"(a) Tariff schedules required to be filed under section 203 of the act and annual and monthly reports required to be filed under section 219 of the act.

"(b) Hearing dockets, only as to applications, licenses, and other instruments of authorization, notices, appearances, motions, petitions, and other pleadings, depositions, transcripts of testimony, exhibits, examiners' reports, exceptions, and orders of the Commission.

"(c) Other files, in the discretion of the Commission, upon written request describing in detail the document to be inspected, and the reasons therefor."

(7) After thorough investigation and detailed consideration of the charges contained in the petition of Representative CONNERY and others on April 5, 1935, the opinion of the Commission was that the charges were not sustained by the evidence, and the matter was therefore closed. The Commission felt constrained, on the basis of the limitations of the act under which it functioned and under legal precedent, to arrive at this conclusion. It is not the present intention of the Commission to give the incident further consideration.

(8) The Commission called upon the licensees involved to submit the continuity in question. This was done. The Commission caused a translation by one of its own employees to be made of the Spanish program alleged to be obscene, and also requested a translation to be made by the licensee. The two were then compared. A careful examination of the whole program disclosed nothing which could be determined "obscene" within the meaning of section 326 of the Communications Act of 1934. (See *Knowles v. U. S.*, 170 Fed. 409, and *Duncan v. U. S.*, 48 F. (2d) 128.)

(9) No.

(10) Violation by the licensee of the terms of its existing license.

(11) The Federal Communications Commission is not the enforcing agency for cease-and-desist orders issued by the Federal Trade Commission. However, the fact that a cease-and-desist order has been issued by that body is an important consideration to this Commission when action is taken upon any station's application for renewal of license. In other words, the Commission considers the fact that any station licensee may be broadcasting programs against which cease-and-desist orders of the Federal Trade Commission have been issued, as an important element in determining whether its continued operation will serve public interest.

(12) No instances.

(13) There has been no instance where any length of time even approximating 22 months has elapsed between final submission of a case to the Commission and the filing of briefs.

(14) Consideration of the Sheppard Broadcasting application has been delayed because it involves a request for an allocation of facilities contrary to existing regulations of the Commission. By reason thereof, the Commission, at considerable expense, directed the conduct of a survey through its engineering department, of the entire broadcast structure. This survey has not yet been finally completed, and no action can be taken on the Sheppard application until the Commission has before it the results of this investigation.

(15) The following stations are owned, controlled, or operated by the Sheppard Broadcasting Co., as follows:

WEAN, Rhode Island (licensee).

WNAC, Massachusetts (licensee).

WICC, Connecticut (owns 95 percent of the stock of licensee corporation).

WAAB, Massachusetts (owns 100 percent of the stock of licensee corporation).

There are 15 stations in Massachusetts. Of these, two are owned or controlled by the Sheppard Broadcasting Co.; in other words, the Sheppard Broadcasting Co. owns or operates 13.33 percent of the stations in Massachusetts.

Trusting this information meets your requirements, I am,

Very sincerely yours,

ANNING S. PRALL, Chairman.

I want to say that I agree with the point of view expressed by my colleague [Mr. CONNERY], namely, that a full, impartial, nonpartisan investigation into the entire field of work covered by this Commission would be in the national interest at this time. There is so much smoke that it is not surprising that many are led to believe that there must be some fire. If there is no fire, then it seems to me the best way to establish the fact is by dispelling the smoke. I hope it will be possible for an investigation to be conducted. I think it ought to cover the whole field of work, including specifically the allocation of channels; the leases and assignments made by licensees; the allotment of time; the control exercised by the Commission; the cooperation with the Federal Trade Commission; the taxes, if any, which may be

fairly imposed on licensees in accordance with the testimony of the chairman of the Commission; and, in general, all matters bearing on the regulation or operation of radio subject to the jurisdiction of the Federal Communications Commission.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Gladly.

Mr. CONNERY. I have read the hearings before the Appropriations Committee in respect to which the gentleman refers. The gentleman's reference now has nothing to do with whether President Roosevelt had a certain amount of time or Governor Landon or anybody else had a certain amount of time. The gentleman agrees with me, though, there is something in the Radio Commission that ought to be looked into, does he not?

Mr. WIGGLESWORTH. I agree. I think the whole situation should be looked into thoroughly in view of the importance of this great means of communication.

Mr. CONNERY. Mr. Chairman, will the gentleman yield further?

Mr. WIGGLESWORTH. Certainly.

Mr. CONNERY. I was just informed by telephone that there is at the present time a delegation of veterans from Brooklyn, N. Y., waiting in my office to see me to protest against their station, which was used to support disabled veterans, being taken away from them and given to the Brooklyn Eagle, which did not need the facilities at all.

Mr. WIGGLESWORTH. There have been complaints, as the gentleman knows, all along the line from many sources and from various angles. I hope the gentleman succeeds in carrying through his resolution.

The second observation which I wish to make is in respect to the Tariff Commission. A great many complaints have, of course, been made in respect to the general field of tariff regulation since the reciprocal trade agreement policy went into effect.

A great many of these complaints have come my way in connection with these hearings. I am not going to set them forth at length, but I may mention in passing a letter received from a man in New York protesting bitterly against the reduction in the tariff on hay, presumably on the findings of the Tariff Commission. The writer stated that this action in his judgment has jeopardized one of the great crops of central and western New York as well as of Michigan and Ohio. I have endeavored to ascertain from the Tariff Commission what, if any, recommendations the Commission made in this connection, but to date have received no response in the matter.

I may also mention the case of lumber interests in our Northwest, and the apparent failure to give proper consideration to the difference in transportation costs as between lumber shipped to Atlantic and Gulf ports from the Canadian Northwest and from our own Northwest. The result of the slash in the protection of lumber there, presumably on the findings of the Tariff Commission, has apparently been to set up a handicap of \$1.75 on every 1,000 feet of sawed lumber for the lumber industry in our own Northwest.

I may mention also the case of potato interests, and the apparent failure to give proper consideration to the difference in transportation costs as between potatoes shipped from Canada to New York on the one hand and potatoes shipped from Maine or our own West to New York on the other hand. Many similar complaints could be cited.

There have been, of course, countless complaints in regard to importations from Japan. In the hearings you will find some discussion of the charge that importers of pottery from Japan have admitted under oath that pottery has been imported by them on a false basis. It appears that this charge is well founded; that the facts were turned over to the Treasury Department over a year ago, and that to date no effective action has been taken to meet the situation.

The committee also attempted to investigate the charge that Japanese swordfish has been landed both on the Pacific and the Atlantic coasts at transportation rates serving to reduce the protection afforded by law by 50 percent and more. The Commission is supposed to have made a special investigation of this item. Questioning at the hearings and

an inquiry since that time has failed to yield satisfactory response either as to whether or not this is a fact or as to what recommendations, if any, have been made with a view to meeting the situation.

Under the reciprocal trade agreement policy, so much power has been delegated to the President that it is difficult to know just what is expected of the Tariff Commission. I confess that in spite of inquiries made at the hearings it still is not clear in my mind just what the functions of the Commission are in this connection or just how far the Commission has lived up to the functions it is expected to perform.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Gladly.

Mr. CULKIN. Has not the State Department now its own fact-finding committee on these tariffs and relative costs?

Mr. WIGGLESWORTH. I am not sure as to that. I may say to the gentleman that the so-called Committee on Reciprocity Information is primarily responsible, as I understand it, for this new policy.

Mr. CULKIN. Is that under the Tariff Commission or the State Department?

Mr. WIGGLESWORTH. It was organized as an inter-departmental committee, the Tariff Commission having one out of six members composing the committee.

Mr. CULKIN. But it is a fact that the Tariff Commission has been definitely relegated to the rear by the activities of the State Department.

Mr. WIGGLESWORTH. I may say to the gentleman that I think as a result of the hearings that were conducted it was shown that the duties and responsibilities of the Commission have been materially reduced. I think it appears, for example, that only one change has been made under the flexible provision throughout the entire year. It also appears, as I have said, that the Commission has only one vote in six on the Committee on Reciprocity Information. The representative of the Commission testified, I think, that bringing the tariff summaries up to date was the most important work carried on during the year. The Commission had some work under the N. R. A. and subsequently under the A. A. A. This work, of course, has now terminated. It appears, as I have said, that the work of the Commission has been materially reduced.

Mr. CULKIN. The Tariff Commission with its shortcomings, nevertheless, had the merit of operating in the open as distinguished from the present in camera performance of the State Department. Is not this true?

Mr. WIGGLESWORTH. I think it is very difficult to find out just what the situation is now, and I think it would be highly instructive if we could have a further inquiry into the entire field of tariff regulation with a view of determining the basis upon which agreements have been reached in trade agreements and what steps, if any, should be taken with a view to protecting American labor, agriculture, and industry against the tremendous importations which have been coming into this country recently.

Mr. CULKIN. And if the gentlemen will pardon the interjection of this further observation, the only effective way this can be brought about is by a change of administration, the election of a Republican President and a Republican Congress. [Applause.]

Mr. MILLARD. It would help a lot; yes.

Mr. WIGGLESWORTH. I may say to the gentleman that this would certainly be conducive to that end. [Applause.]

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I will yield for a brief question.

Mr. GRAY of Pennsylvania. It will be brief. Is it not a fact that complaints are coming from manufacturers' associations throughout the country against the importation of Japanese products where the importation does not amount to anything on certain classes of goods? Is this correct or not?

Mr. WIGGLESWORTH. I think the increase in importation of commodities from Japan, taken as a whole, has been

tremendous. There may be instances such as the gentleman refers to; but, taken as a whole, I think the increase has been very great. Only today the junior Senator from North Carolina said, "Japan will shortly capture the Philippines, commercially."

Mr. GRAY of Pennsylvania. Does the gentleman have any idea of the proportionate value of the importations from Japan?

Mr. WIGGLESWORTH. No; I cannot give the gentleman any exact figures right now. I commend to the gentleman's attention the hearings and report of the Commission on Japanese pottery, with particular reference to subsidies said to be made available by the Japanese Government to the Japanese Pottery Manufacturers' Association.

Mr. Chairman, I have just two more observations to make and then I shall be through. The first is in regard to the civil service of the Government.

The figures show that we have today about 800,000 people on the Federal rolls, not counting legislative, judicial, or military personnel. This is an increase of 225,000 since 1933. The record also indicates that about 220,000 of these workers are totally exempt from civil-service requirements, a very high percentage of all appointments made last year being exempted. It is alleged that the spirit, if not the letter, of the civil-service law is being violated by the interpretation given the word "expert" in many instances, and, further, by an abuse of temporary appointments, these temporary appointments being made in many cases at rates of pay which are out of line as compared with the rates of pay of those on a permanent basis, and also for periods apparently in excess of those authorized by law. I have endeavored to obtain accurate information in this connection. I have not received it as yet, but I have received assurance recently from the Civil Service Commission that it will be furnished. I hope it will be available in the near future.

In a recent report, the National Civil Service Reform League states:

That at no time since the enactment of the civil-service law has the merit system faced such a test as now. We may well ponder how much longer our Government can be administered effectively with its civil service recruited half on merit and half on patronage.

As one who believes in the merit system, as one who believes that the adoption of the Civil Service Act took us out of intolerable conditions existing before its adoption, I urge a thoroughgoing investigation of conditions prevailing in the field of civil service. Inefficiency, destruction of morale, and increase in the cost of government are inevitable if the civil service of this Government is to be undermined. The Nation is entitled to know what the real situation is.

One more word and I am through. This is in reference to a matter referred to by my colleague the gentleman from Ohio [Mr. BOLTON], a matter which I stressed in my remarks on this bill a year ago.

This bill emphasizes the direct and indirect cost of certain of the new agencies. It does not begin to emphasize the cost of all of the new agencies, many of which are classified by the Bureau of the Budget as independent establishments. On the contrary, the bill emphasizes by omission the utter lack of normal control over a great many of these new agencies. Under the authority accorded me I insert at this point two tables, the first prepared by the General Accounting Office, showing 23 agencies which are not required at this time to submit to the General Accounting Office for audit; the second showing some of the agencies, at least, which have been financed out of lump-sum appropriations or other allocations or through the use of the public credit and which have never up to this time been required to justify expenditures to the appropriating committees of either Senate or House.

LIST OF ACTIVITIES WHICH DO NOT SUBMIT ACCOUNTS TO GENERAL ACCOUNTING OFFICE FOR AUDIT

Agricultural Credit Corporation (under F. C. A.).
Alien Property Custodian.
Central banks for cooperatives (F. C. A.).
Corporation of Foreign Security Holders.

Comptroller of Currency (assessments and insolvent, etc., banks).
Federal Deposit Insurance Corporation.
Federal Farm Mortgage Corporation (F. C. A.).
Federal savings-and-loan associations.
Federal Reserve Board.
Gorgas Memorial Institute (field audit).
Home Owners' Loan Corporation (offers to account).
Hospitals of various services.
Inland Waterways Corporation.
Insular governments' funds in Treasury, except Virgin Islands.
Merchant Fleet Corporation (local audit).
Panama Railway Co.
Panama Steamship Co.
Perry's Victory Memorial Commission (collections).
Reconstruction Finance Corporation.
Smithsonian Institution (funds, etc.).
Tennessee Valley Associated Cooperatives, Inc.
Various special deposits.
Virgin Islands (partial).

Agencies financed through lump-sum appropriations or other allocations or through the use of the public credit

Name	Total disbursements
(1) Commodity Credit Corporation.....	\$309,510,555
(2) Federal Deposit Insurance Corporation.....	2,500,000
(3) Federal Home Loan Bank Board.....	1,159,000
(4) Federal Savings and Loans Insurance Corporation.....	167,000
(5) Home Owners' Loan Corporation.....	263,371,256
(6) Federal Housing Administration.....	7,260,000
(7) Renovation and Modernization Loans and Insurance.....	30,000,000
(8) Mutual Mortgage Insurance Fund, F. H. A.....	5,082,491
(9) Federal Prisons Industries, Inc.....	216,300
(10) Puerto Rican Reconstruction Administration.....	516,521
(11) Railroad Administration.....	30,405
(12) War Finance Corporation.....	51,200
(13) Reconstruction Finance Corporation.....	515,472,290
Total disbursements.....	1,135,336,518

In his Budget message the President told us that in the last few months 20 agencies not heretofore under the control of the Director of the Budget had been brought under that control. He further urged legislation with a view to bringing all agencies, including Government-owned and Government-controlled corporations, under the control of the Director of the Budget. I commend this progress. I hope the legislation recommended will be speedily enacted. I submit, however, that the recommendation does not begin to go far enough. I submit as a general rule that the disbursement of all public funds should be subject to the control not only of the Director of the Budget but also of the Comptroller General and the appropriating committees of both the Senate and House. I had not heard of the resolution which the gentleman from Ohio [Mr. BOLTON] states has been introduced by the junior Senator from Virginia. I do not know its exact terms. I sincerely hope, however, if I understand its purport correctly, that it will prevail and prevail promptly. It seems to me that there should be a thorough investigation at the earliest possible moment of all agencies of the Government, including corporations owned or controlled by the Government, which have not been required to justify their expenditures to Senate and House. I submit that this investigation is advisable from the point of view of coordination and elimination of duplication. I submit that it should be for the protection of any administration. I submit that it is essential in the national interest.

Mr. Chairman, I thank the members of the Committee for their attention. I am sorry to have presumed so much on their time and good nature. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF THE PRESIDENT

Salaries: For personal services in the office of the President, including the Secretary to the President, and two Assistant Secretaries to the President at \$9,500 each; \$125,982: *Provided*, That employees of the executive departments and other establishments of the executive branch of the Government may be detailed from time to time to the office of the President of the United States for such temporary assistance as may be deemed necessary.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question.

I wonder if the gentleman in the hearings went into the question of how many employees of other bureaus or departments of the Government have been detailed to the Executive Office under this provision.

Mr. WOODRUM. We did not. We have never made that inquiry of the White House. It has always been the custom under all administrations to draw some personnel, especially emergency personnel, from other departments, and since I have been a member of the committee, both as a minority and majority member, that inquiry has never been made.

Mr. TABER. It has always been the practice to draw personnel from different bureaus and departments of the Government?

Mr. WOODRUM. That is my understanding.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Traveling expenses: For traveling and official entertainment expenses of the President of the United States, to be expended in his discretion and accounted for on his certificate solely, \$25,000. Total, Executive Office proper, \$294,032.

Mr. MITCHELL of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Tennessee: Page 3, line 5, after the figures "\$294,032", insert "Provided, That the President shall not appoint anyone related to him by blood or marriage within the third degree to perform the duties provided for in this said appropriation."

Mr. WOODRUM. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill and, I think, is an insinuation against the Chief Executive of the United States as well.

Mr. MITCHELL of Tennessee. I hope my colleague will withdraw the point of order.

Mr. WOODRUM. I will not withdraw the point of order, and I insist upon it, Mr. Chairman.

Mr. MITCHELL of Tennessee. I just want to make an explanation.

Mr. WOODRUM. No. I do not think there ought to be any debate on it, and I insist on the point of order.

The CHAIRMAN. The Chair is ready to rule. The point of order is well taken, and the Chair sustains the point of order.

Mr. MITCHELL of Tennessee. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. The Chair has ruled and has sustained the point of order.

Mr. MITCHELL of Tennessee. You do not permit me to make myself understood.

Mr. WOODRUM. I will permit the gentleman to withdraw his amendment, if he would like to do that.

Mr. MITCHELL of Tennessee. I will not insist on the amendment.

Mr. WOODRUM. Regular order, Mr. Chairman.

The Clerk read as follows:

For all printing and binding for the Civil Service Commission, including all of its bureaus, offices, institutions, and services located in Washington and elsewhere, \$85,900.

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I got a letter this morning from an old farmer out in my district in Colorado that had something in it which I think is too good to be buried in the files of a Congressman's office. His orthography was not Websterian, but he said the best thing I have heard thus far on the Supreme Court decision on the Triple A, or that I expect to hear, and it was this. He said, "They amended the Constitution to give us something to drink; now, why can't they amend it to give us something to eat?" [Laughter and applause.]

The Clerk read as follows:

CANAL ZONE RETIREMENT AND DISABILITY

For financing of the liability of the United States, created by the act entitled "An act for the retirement of employees of the Panama Canal and the Panama Railroad Co., on the Isthmus of Panama, who are citizens of the United States", approved March

2, 1931, and acts amendatory thereof (U. S. C., Supp. VII, title 48, sec. 1371n), \$500,000, which amount shall be placed to the credit of the "Canal Zone retirement and disability fund."
Total, Civil Service Commission, \$48,879,000.

Mr. MITCHELL of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that my distinguished colleague from Virginia saw fit to make any reference to a proposed amendment that would indicate for one moment that what the author of the amendment had in mind could, by any means, be construed as a reflection upon the great President of the United States. Certainly nothing could be more foreign to my intention or motive. Some precedent exists for my amendment. Without any effort whatever to reflect upon the Chair, heretofore a similar amendment, at the first session of the Congress, to the Guffey coal bill was permitted by a distinguished Presiding Officer, and the amendment offered by me was made a part of the bill. This amendment was similar to the one I am here and now proposing. What was in mind then and what is in my mind now with reference to this proposed amendment is that it is the beginning of legislation that I think is wholesome and would be helpful; and I am quite sure that my distinguished colleague from Virginia must be in accord with the purpose. I am proposing a similar amendment to every section of this bill, if the Chair will permit and holds it in order.

I simply wish to say to the House that at the first session I proposed a bill, H. R. 8617, which I am assured will be given consideration by the Committee on Expenditures in the Executive Departments, and in this bill it is provided that no Federal officer, including the President, the Vice President, the members of the Cabinet, the members of the Supreme Court, all district courts, and all Federal officials, shall be permitted to appoint his next of kin to any position or office under him as such appointing power.

Mr. Chairman, I have no disposition to undertake to impugn the motives of anyone who has a different conviction on this bill from what I hold, but I make the observation that nothing could be more wholesome or helpful than to clarify criticism that comes to Members of the House and comes to all the appointing powers when they continue, as is frequently done, especially in the different bureaus that are set up here from time to time, to pad the pay roll and put on their next of kin and have the taxpayers settle the bill. We are entitled to clean government. I do not mean to say that everyone on the pay roll may not be earning his compensation, but it leads to flagrant abuses in the public service.

What I have in mind is the principle. We as the law-making power owe it to ourselves to live above suspicion, beyond any criticism that may arise because of appointing our next of kin. Surely, it was not in my mind or thought to criticize the President of the United States or the Vice President or anyone else.

I am talking about the principle. We as the legislative branch of the Government are expected to enact such bills and measures as will help to make living conditions better in America.

I know, and you know as Members of this House, that many are placed on the pay roll by some relative who is temporarily at the head of a bureau or agency of the department without regard to merit.

Mr. WOODRUM. Mr. Chairman, whatever merit the amendment had as a fundamental proposition, the gentleman's remarks have nothing to do with the point of order I made against it.

No one approves of people being put on the pay roll with a salary that they do not earn. I can recall two distinct former Speakers of this House whose wives were their secretaries. The country was better off because these distinguished women helped perform the service.

There may be Members of Congress who may have their relatives on the pay roll. I do not have. They earn their money. I do not wish to discuss the merits, but, it seems to me, passing strange that the gentleman, without any contact with the committee on my side of the House, should

endeavor to put restrictions on the President of the United States, which I still say is a reflection on his high office.

Since I have been a Member of this House there has never been any question as to the expenses of the Executive branch of the Government. No President, as far as I know, has ever abused the privilege. I cannot conceive of any man who could arrive at the high office of President abusing the privileges of that high office. That, I say, is an insinuation against the office of the President of the United States, I do not care by whom it is made or against which President it is made.

Now, my friend from New York a moment ago asked whether employees of other departments were detailed to the Executive Office.

The organic law provides that—

Employees of the executive departments and other establishments of the executive branch of the Government may be detailed from time to time to the office of the President of the United States for such temporary assistance as may be deemed necessary.

The Clerk read as follows:

FOREIGN SERVICE PAY ADJUSTMENT

Foreign service pay adjustment of officers and employees of the United States in foreign countries due to appreciation of foreign currencies: For the purpose of carrying into effect the provisions of the act entitled "An act to authorize annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to appreciation of foreign currencies in their relation to the American dollar, and for other purposes", approved March 26, 1934, and for each and every object and purpose specified therein, \$1,800,000, together with \$2,048,611 of the unexpended balances of the appropriations for this purpose for the fiscal years 1934, 1935, and 1936.

Mr. TABER. Mr. Chairman, I move to strike out the last word. Would the gentleman tell us how much it is expected will be spent in this fiscal year for that particular purpose?

Mr. WOODRUM. The estimate as I recall it is a million dollars which they expect to be necessary to use this year.

Mr. TABER. Why should we need \$3,800,000 for 1937 if we only need a million dollars this year? It strikes me that this is a good case where we might be able to save a little money.

Mr. WOODRUM. The gentleman will find that on pages 388 and 389 of the hearings. They estimated for 1937 that it would require \$3,848,000.

Mr. TABER. I know, but they expect to spend a million dollars in the year 1936.

Mr. WOODRUM. No; I am mistaken. The amount was \$5,383,476.

Mr. TABER. That was the appropriation. There was a total of \$3,848,000, and I understood the gentleman to say the expenditures this year would be only a million dollars.

Mr. WOODRUM. I was in error on that. The table the gentleman will find on page 389 of the hearings.

The Clerk read as follows:

Motor-transport regulation: For all authorized expenditures necessary to enable the Interstate Commerce Commission to carry out the provisions of the Motor Carrier Act, approved August 9, 1935 (49 Stat., pp. 543-567), including one director at \$10,000 per annum and other personal services in the District of Columbia and elsewhere; traveling expenses; supplies; services and equipment; not to exceed \$1,000 for purchase and exchange of books, reports, and periodicals; contract stenographic reporting services; purchase (not to exceed \$3,250), exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary for official use in field work, \$1,700,000, of which amount not exceeding \$75,000 may be expended for rent in the District of Columbia provided Government-owned facilities are not available.

Mr. RAYBURN. Mr. Chairman, I move to strike out the last word. This motorbus law that was passed last year is, like all transportation laws, a somewhat complicated matter; and the original set-up, of course, is pretty hard to arrive at. The first thing the Commission has to do, I am informed, is to register all of these thousands of busses and trucks that operate in interstate commerce, something like 200,000, I am informed. It is my understanding that those in responsible positions believe the sum of \$1,700,000 is wholly insufficient with which to set up the machinery and bring about all the rules and regulations that will not only do justice to the public but also to the men who operate these motor vehicles,

busses, and trucks in interstate commerce. It appears to me and to those who have been dealing with this whole thing, trying to get it going, that the first year in the administration of the act will be the most expensive, for the reason that all of these matters are to be set up. I understand that the committee has followed the lead of the Budget. It is also my understanding that the Interstate Commerce Commission thinks it will need \$3,000,000 for the first year for the administration of the act. Could the gentleman from Virginia give us any information in that respect?

Mr. WOODRUM. Mr. Chairman, the gentleman from Texas [Mr. RAYBURN] has stated the situation. We are giving the Interstate Commerce Commission something like \$1,000,000 in the deficiency appropriation bill which will be here in a few days to carry them through the rest of this present fiscal year. The Interstate Commerce Commission, as the gentleman from Texas says, feel they ought to have \$3,000,000 for the fiscal year 1937, and the Budget recommended \$1,700,000. Our committee appreciates the large task ahead of the Interstate Commerce Commission in setting up this new agency, but we feel that if they can intelligently and efficiently use \$1,700,000 during 1937 they will be doing a good job. An organization of that kind cannot be set up overnight. They will have to have civil-service examinations to get a highly specialized group of people to look after the law. It is a big job. There is no disposition on the part of the Committee on Appropriations to unduly hamper the Interstate Commerce Commission in its administration, but we feel that \$1,700,000 will start them off. If it can be shown to our committee, and to the Congress later, that the law is being poorly administered or that they are not having enough funds to get along, we will lend an attentive ear.

Mr. RAYBURN. Does the gentleman mean next winter?

Mr. WOODRUM. Oh, we will be here. It is my experience that you cannot cut these amounts down. You can build them up, but you cannot build them down. The Budget and our committee desire to compel all of these agencies to go slowly and build efficiently. They must show absolute need for more appropriations before we give them, and we feel we have given the Interstate Commerce Commission a fund that will enable it to start off in an adequate manner, and if they need more money, we will be here.

The Clerk read as follows:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For each and every purpose requisite for and incident to the work of the National Capital Park and Planning Commission necessary toward carrying into effect the provisions of the act entitled "An act for the acquisition, establishment, and development of the George Washington Memorial Parkway along the Potomac from Mount Vernon and Fort Washington to the Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital", approved May 29, 1930; personal services, including real-estate and other technical services, at rates of pay to be fixed by the Commission and not exceeding those usual for similar services and without reference to civil-service rules and the Classification Act of 1923, as amended; travel expenses; expenses of surveys and searching of titles, purchase of options, and all other costs incident to the acquisition of land, \$400,000, to remain available until expended, including \$200,000 for the acquisition of lands as authorized in section 1 (a) "For the George Washington Memorial Parkway" and \$200,000 for advances and contributions to the Maryland-National Capital Park and Planning Commission as provided for in section 1 (b) of the act.

Mr. SNELL. Mr. Chairman, I move to strike out the last word to ask the chairman of the committee a question with reference to the situation that exists at the present time in connection with the Washington Memorial Parkway. How much money have we spent there, and can the gentleman from Virginia tell us what we are obligated to spend in the future?

Mr. WOODRUM. The appropriation this year is to buy a little strip of land up near the Key Bridge. It is a continuation of the parkway project. The authorization calls for the purchase of land on both sides of the Potomac all the way up to Great Falls, as the gentleman remembers.

Mr. SNELL. I recall that; but I was wondering how far we had gone and what proportion we had expended, and so

forth. This must be a fairly good-sized parcel of land if it is going to cost \$200,000.

Mr. WOODRUM. This is to purchase some strips of land in the neighborhood of the Francis Scott Key Bridge on the Virginia side. The State of Virginia must match dollar for dollar with the Federal Government before this can be expended.

Mr. SNELL. I see a provision here for \$200,000 to purchase land for the Maryland National Capital Park.

Mr. WOODRUM. That is a continuation of the extension of Rock Creek Park under a different authorization. It is under a different act. The State of Maryland also has to match those funds and has been matching them by the issuance of bonds.

Mr. SNELL. Does the gentleman have at hand how much additional we are obligated to spend on this parkway?

Mr. WOODRUM. They have never estimated how much it is going to cost. The gentleman will recall that the original authorization for the purchase of this land was on both sides of the Potomac as far as Great Falls.

Mr. SNELL. I remember it; and I opposed it.

Mr. WOODRUM. Now they have come in from time to time with requests for appropriations, just as they have here. Of course, it will depend on the price they are able to get the land for at that particular time.

Mr. SNELL. It will go on indefinitely in an indefinite amount?

Mr. WOODRUM. Yes; so long as this Congress is in a mood to appropriate for it until it is completed. They asked the Bureau of the Budget for a very much larger sum. They wanted to get a great deal more land.

Mr. SNELL. Is there any limit to the amount of land they can buy? How far back can they go?

Mr. WOODRUM. The limit is a territorial limit and not a limit of funds. It authorizes the purchase of land for the creation of this park going up the Potomac on both sides to Great Falls.

Mr. SNELL. For instance, out in Maryland, how far does that go?

Mr. WOODRUM. We are just providing \$200,000 for a certain area. If there is more area to be gotten in, they will come back for further appropriations.

Mr. SNELL. Do the hearings show what they are paying per acre for that land?

Mr. WOODRUM. Yes. We have that information. It is around \$600 an acre.

The pro-forma amendment was withdrawn.

Mr. TABER. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 25, line 22, strike out all down to and including line 22, on page 26.

Mr. TABER. Mr. Chairman, I have offered this motion to strike out the whole of this paragraph, because it seems to me it is about time that we stopped making large expenditures for this purpose. We must come to a head sometime and come to the point where we will stop spending the people's money. I know of no better way to begin than to begin. For a long time we have been going on, and as near as I can figure, upon this entire project we have probably spent fifty or seventy-five million dollars. I do not think that within the District of Columbia we are subject to so much criticism, but when we go outside of the District with our parkway system at national expense, it seems to me we are going further than the Congress of the United States ought to go. Having that in mind and having in mind that we have an authorization for the purchase of 600,000 acres of land outside of the District, over which this Congress, as such, would have no more than joint control, and having in mind that it is an unlimited authority for expenditures that can run into millions and millions of dollars, I believe this would be a good point to begin to retrench. For that reason I have offered this amendment to strike out the appropriation for this particular purpose. Sometime we are going to come to the point where the people of the United States will wake up

and will realize that we cannot stop a mounting debt and a mounting deficit unless we stop appropriating money. The way to start is to throw out those appropriations that we can possibly throw out as we go along. I hope this amendment will prevail.

Mr. WOODRUM. Mr. Chairman, the appropriation, of course, is a very small amount, \$400,000. The National Park and Planning Commission, carrying out the mandate of Congress, has proceeded with a plan to build this parkway, which, as the gentleman will remember, was authorized in the Cramton bill. The gentleman from Michigan, Mr. Cramton, devoted a great deal of time and a great deal of study to the development of this parkway, and in my judgment it is a wonderful contribution, not only to the District of Columbia, but to the Nation as well.

Now, very little has been done in the past few years in the development of that parkway plan. The National Park and Planning Commission wanted to go forward this year with it, but, with the exception of this small amount of \$400,000, the Bureau of the Budget refused to permit them to do it; but it did seem the part of wisdom and the part of ultimate economy to get control of this little parcel of land at the end of the Francis Scott Key Bridge, which will be so necessary for the continuation of that parkway. There are only \$200,000 involved and a like amount is to be matched by the State of Virginia. That will connect up these links in Rock Creek Park while the land can be secured. It is a very small matter, and the Budget committee and all of us have gone into it, and we share the opinion of the gentleman that it is not any time to launch into big expenditures, but it is a small matter and a necessary link in this ultimate plan, and we feel that it will be ultimately economical for the Government to do it now.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. WOODRUM. Yes.

Mr. TABER. I should like, if I might, in the gentleman's time, to call his attention to page 567 of the hearings and to the fact that there is an authorization of \$4,500,000 for the Cabin John and Rock Creek development, \$7,500,000 for the George Washington Parkway, and \$16,000,000 for the District, a total of \$28,000,000 that is ahead of us. Now, it would seem to me that the Congress ought to be rather careful about embarking on these large expenditures, and this is a start toward it.

Mr. WOODRUM. I thank the gentleman for his contribution. I think he bears out what I said—that we are not embarking on it; we are practically standing still; but we are now confronted with the necessity of acquiring two little connecting links in this program. If Congress wants to go further with this development, it will need this land, and we are merely getting these two small parcels that will permit us ultimately to go forward and not tie our hands.

I hope the amendment will not prevail.

Mr. GRAY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want anyone to feel that in what I am about to call to the attention of the committee I am criticizing the Appropriations Committee. I heard the gentleman from Virginia a moment ago refer to \$400,000 as being a very small item. In the sense the gentleman means it and in the connection it bears to this bill I realize that it is a small item, but I want to bring to the attention of this committee the fact that during the last session of Congress I introduced House Joint Resolution 353 to rehabilitate several mine rescue cars. This bill would have called for the expenditure of some \$27,000 by the Bureau of Mines to rehabilitate several mine rescue cars for use in the bituminous and anthracite coal fields of this Nation. The bill did not get through the Appropriations Committee because of the principles of economy that seemed to govern at least some of the members of that committee.

Mine rescue work is important. It is more important than building highways, because it has to do with the saving of human life. These mine rescue cars were to be made available for location at various parts of the mining districts

of the country, from time to time, to train not only operators but the miners, who bring the coal from the earth for the use of the people, in the prevention of accidents and of mine disasters and the best methods of rescue and salvage when such things occur. I think the Appropriations Committee could well look into the real necessity for rehabilitating some of the cars that have been put out of use. Recently there were only two of these mine rescue cars in operation under the Bureau of Mines. The results accomplished by these cars while they were in operation certainly justifies the rehabilitation of several more. I have had numerous requests from safety associations and those engaged in mine rescue work in the coal regions to present this matter to the Congress in the hope that some provision can be made by which they may once again have the facilities of a sufficient and adequate number of such cars.

Let me briefly present some facts for your consideration. Because of the very bad safety record of the mines in the United States, and because of the occurrence of mine explosions prior to 1910, the Bureau of Mines was organized that year. For the 5-year period ending in 1910 there were 84 major coal-mine disasters, with total fatalities from explosion from gas or dust of 2,388, an average of about 478 per year. The total fatalities from all causes in the mines of the country in that period were 13,288, or an average of 2,658 per year.

In the year 1922 there was an explosion in one of the coal mines at Spangler, Pa., almost at my doorstep, resulting in the death of 77 coal miners, nearly all of whom were personal acquaintances and friends of mine. This terrible tragedy causes one to realize most acutely the tremendous importance of safety work. A number of other somewhat similar disasters have occurred in that territory.

Coal mining is a most hazardous occupation. Not a day goes by in the coal fields but we can expect to hear of some fatality. Unquestionably there has been a reduction in the number of deaths and disabilities since the operation of mine rescue cars. It is probably true that coal mining can be made comparatively safe if sufficient effort is put forth, but this cannot be done by stingy restricting of funds that should be made available for first aid and mine rescue-training work.

Whether it is railroad cars that are to be used for the purpose or whether it is automobile trucks is only a matter of policy which the Bureau of Mines could decide as the most workable instruments for the purpose. Previously 10 all-steel railroad mine rescue cars were provided for. Lately but two have been in operation. The result has been that the work of education and training, not only of those directly concerned in the production of coal but also of the general public, has been seriously neglected. The Bureau of Mines is of the opinion that, if given adequate support in its safety efforts, accident occurrence in our coal mines can be reduced 75 percent.

Mr. Chairman, I appeal to this Congress to have thought of the lives, of the limbs, and of the families of the men who tunnel through dark passages in the interior of the earth and bring forth that basic commodity—coal. Every dollar wisely expended in safety work will return tenfold into the Treasury of the United States. It would be a blot on the strenuous efforts of the Roosevelt administration and of this Congress, who have extended themselves in a great humanitarian endeavor to save our people and rebuild the economic and social structure of our Nation, if a few paltry thousand dollars were refused for the work about which I have spoken.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

Total, Railroad Retirement Board, \$47,645,000.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question.

I wonder if the chairman of the subcommittee could tell us how much revenue the Government expects to derive from the tax which has been placed upon the railroads and their employees in this connection during the fiscal year 1937?

Mr. WOODRUM. The estimate—and it was just a sheer estimate, I may say to the gentleman—was about \$150,000,000.

Mr. TABER. Is \$47,000,000 a fair estimate of what it is expected this Board will require for its operation?

Mr. WOODRUM. That is what we understood it to be; yes.

Mr. TABER. And the revenue is expected to be \$150,000,000?

Mr. WOODRUM. Over a period of years they figure the best they can actuarially, and there is very little of an actuarial basis they can go on, that after 15 years it will be self-containing from the tax.

The Clerk read down to and including line 16, page 31.

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 9863, the independent offices appropriation bill, 1937, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—REPORT OF THE DIRECTOR OF EMERGENCY CONSERVATION WORK

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with accompanying papers, referred to the Committee on Labor:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the report of the Director of Emergency Conservation Work, embracing the activities of that organization, which includes the group popularly known as the Civilian Conservation Corps, for the period April 5, 1933, through June 30, 1935. Text and tables are included, showing in considerable detail the extensive activities of this organization in relieving unemployment, providing for the restoration of the country's natural resources, and assisting in the program of national recovery.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1936.

THE CONTRIBUTION OF THE RECONSTRUCTION FINANCE CORPORATION TO THE RECOVERY PROGRAM OF PRESIDENT ROOSEVELT

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by the Honorable Jesse Jones in Baltimore on January 11.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, at the Concord Club Jackson Day dinner, Lord Baltimore Hotel, Baltimore, Md., January 11, 1936:

Mr. Chairman, ladies, and gentlemen, I appreciate the honor of dining with and addressing so important a body of men and women. I have been your neighbor now for 4 years and have come to know a good many of you, both personally and in a business way. I see a number of friends of much longer standing.

It has been a privilege to be of some assistance to Baltimore and Maryland during the trying period from which we are just emerging. I am also glad to say that every investment and every loan that we have made here has proven to be thoroughly sound, notwithstanding that Baltimore was hard hit, as was the entire United States.

We at the R. F. C. have seen and had dealings with people from all sections of the country. Most of them were in distress—many confronted by failure; some of them worse—besides seeing the savings and accumulations of a lifetime slipping away under the grinding juggernaut of depression and fear.

It was as impossible to protect one's self against the depression as against the infuriated elements. Baltimore was no exception, and you have cause to feel a just pride in the recovery thus far attained.

Reasonably good conditions prevail throughout the country, and we are now in such a comfortable state that we forget how distressed and how really miserable we were in the spring of 1933.

This I understand to be your annual dinner given in honor of that great statesman and patriot, Andrew Jackson. There has been so much said about him in the past few days that there is little I can add.

I have pride aplenty in his memory, because I, too, hail from Tennessee—the grand old Volunteer State. He was a great character, Andrew Jackson—with great courage, great understanding, and great determination. He was of and for the average man, and, with all his virtues, had many human weaknesses.

I love and admire him for those weaknesses as much as for his great strength. They enabled him to better understand human nature and to fight for the rights and liberties of men.

He was known to swear at times, and even to take a drink. He owned race horses and fought game chickens. He even fought a duel and killed his antagonist. He seized Florida from Spain before the National Government had authorized such action, and our diplomats had quite a job backing him up. So you see he was quite a man, and sometimes even obstreperous.

I have often wondered what Jackson would have done in this particular period, as I have also wondered what Jefferson would have done.

We Democrats—and I believe all true Americans—hold these two great characters very high, and the further time takes us from them the greater are their stature. They stand out as guides and signposts to the course the American people, as a people and as a Government, should follow.

While wondering what either of these might have done during the several crises we have had during the past 50 years, I feel assured that either would in the main have followed the course Cleveland followed, and Wilson and Franklin Roosevelt. That is, they would have met the problems that confronted these three Democratic Presidents in much the same spirit and with the same determination insofar as the preservation of human liberties is concerned.

Those of us who lived during Cleveland's administration would not have done everything just as he did it, and that applies with equal force to Woodrow Wilson and Franklin Roosevelt. The same would have been true of Thomas Jefferson and of Andrew Jackson. But I believe we would have tackled their problems, had it been our responsibility, with as great determination. Few of us do anything exactly alike, or take the same route for a given destination. The object is to get there, or to accomplish the purpose.

The responsibility for the welfare of a great nation is one thing—especially when millions are out of employment, with no way of making a living or taking care of their families. Criticizing the course taken by the leaders who have that responsibility is quite another.

Because of the unusual unemployment situation and the utter despair in which President Roosevelt found the country at his inauguration, there have been more opportunities for error in efforts to extricate the country from that despair than was perhaps true ever before.

Looking back 3 years is much like looking down into a deep valley resembling oblivion, from which we have climbed by extreme effort and under a leadership that has had but one purpose in mind. If at times we have felt that leadership was veering too far to one side or the other, we should not falter or turn back, any more than the army should fail to follow the general or the field marshal.

While out of danger, we are not entirely up the hill and will not be until there is work for all who want work. We can get along—and very well—with a goodly number out of employment, but business and industry—and those with jobs—will have to support the unemployed. None can escape this responsibility and none should want to. Certainly no one must suffer for life's necessities.

I have no desire to make a political speech, even at a Jackson Day dinner, but am glad to talk with you men and women about the serious side of our daily lives—about business.

I speak as a businessman, as much interested in the welfare of business as any of you, or as in any business.

The word "business" encompasses almost every phase of human activities. We are a country of business. We are a country of free people who want the privilege of engaging in business, large and small, for a livelihood and for a profit, whether that business be agriculture, industry, merchandising, banking, or what not.

And upon the whole, business is now very good. Certainly it is greatly improved over the past few years. Most people made some money in 1935. From the viewpoint of business, much ground has been regained, and we should feel good about it and very hopeful.

I am aware that there is fear about what is ahead of us, but do not believe the fear justified. I have confidence in the wisdom of the American people to preserve our freedom and our liberties.

Certainly we do not want to go back, even to the days of 1929, because we would be sure to fall again. And it goes without saying we do not want to go back to 1930 and 1931 and 1932 and 1933.

I am not one of those to fix the responsibility for our depression troubles entirely upon a political party. I have felt, however, that we would not have gotten so far out of line if the three preceding administrations had taken a different course.

But none of us calls the doctor until he is sick.

There is much talk to the effect that business, industry, and banking are against the present administration. I do not believe in the final analysis this will prove to be true. Why should it? We are doing very well in business, and much lost ground has been regained.

It is doubtful if we could have gotten a start back without the bank holiday and without the assistance given to banking, business, and industry through the R. F. C.

Home-loan activities and farm credits were very helpful, but it was absolutely necessary to repair the banks and to get a sound banking system before a start or any progress could be made.

Probably the billion dollars capital stock invested by the R. F. C. in 6,000 banks did more good than any Government activity. It gave us a strong banking system. Our banks are now stronger in deposits, excess reserves, and in capital than they have ever been.

Rebuilding the banks was like putting a new foundation under the house. It was absolutely necessary to prevent the house falling down.

Another billion loaned for distribution to depositors in closed banks also helped greatly and reached perhaps 20,000,000 depositors. The additional \$1,200,000,000 loaned to going banks, over 85 percent of which has been repaid, was a very great benefit.

Over 70 percent of our loans to closed banks have been repaid. One hundred and forty million dollars of our bank capital investment has been retired, although maturing over a period of 20 years and payable only from a part of earnings.

We have authorized loans of all character, including investments in banks and insurance companies, in the aggregate amount of \$7,923,000,000; \$1,007,000,000 of these authorizations were canceled, the borrowers finding that they did not need the money. But the fact that it was available to them, and that the loans and the security had been approved, made it possible for these borrowers to go about their affairs with confidence.

Approximately \$1,072,000,000 of these authorizations are yet undisbursed, but still available to the borrowers. Much of this will not be taken, as recovery continues and private credit becomes operative.

We have actually disbursed on these loans authorizations, including investments in banks and insurance-company stocks, slightly less than \$6,000,000,000, \$5,873,000,000 to be exact, and our repayments have been \$3,258,000,000.

We have bought \$296,452,321.92 par value of securities from P. W. A. and have sold \$147,205,200 of these at a premium of \$4,870,000 above cost. We are authorized by Congress to buy P. W. A. securities and to have invested in them as much as \$250,000,000 at any one time. By buying and selling these securities, we create a revolving fund for relending by P. W. A. for self-liquidating projects, greatly aiding employment and at no cost to the Government.

Our interest rates are approximately 1 percent more than we pay the Treasury for the money we borrow to lend, and our operating expenses approximately one-half of 1 percent.

This affords an operating reserve of approximately one-half of 1 percent to cover losses. This reserve, to date, is over \$116,000,000, which, in the opinion of our directors, will cover all our losses, from the creation of the Corporation, so that the operations of the R. F. C., extensive as they are, will not result in any loss whatever to the taxpayer.

We have tried to be prudent as well as helpful, realizing it is the taxpayers' money we are trustees for.

The R. F. C. is the original alphabetical agency and, as you know, was started under the former administration. It has been expanded many times under the Roosevelt administration, and we have endeavored to be of assistance to the President in his efforts for recovery. Without a doubt R. F. C. activities have been helpful to every person in the United States.

I have said on many occasions, and here repeat, that I should like to see the Government out of the lending business, but not until credit is available from private sources at interest rates and upon terms that can be met without placing too great a burden upon borrowers.

It is the money borrower that feeds most of us.

Interest rates have been too high and terms too exacting. I am convinced that potential borrowers will need to be encouraged to borrow. While depositors in closed banks have suffered, borrowers as a rule have had a tougher time.

We will not get back to normal conditions until the average citizen—the little fellow—can borrow within reason, at fair rates, and on more liberal terms of repayment.

The big fellow with unquestioned credit borrows on his own terms and at very low rates. But credit for the average man, the average business, is too sparingly given, and at much higher interest rates.

And remember that there are millions in this class, and that they constitute the great majority. They must be built up. They must be encouraged. They must be welcome in the big banks and in the little ones. In the language of Amos 'n Andy, they must be members of the lodge.

I believe Jackson would subscribe to these principles.

Some of my banker friends and others in that environment, including some of our financial writers, are all hot and bothered about our efforts to reduce interest rates.

We are not only trying to help the average man—the small borrower—but we should like to help the railroads in getting lower interest rates. This is one way the Government can help the railroads, without loss to the Government.

I should like to repeat here, with emphasis, statements I have heretofore made, to the effect that too many of our railroads are dominated by bankers whose principal interest in them is to make money out of their financing.

This is within the law, but should not be.

The Great Northern—one of the best systems in the country, never having defaulted in its 57 years of existence—has been paying 7 percent on a \$115,000,000 issue of bonds imposed by its bankers 15 years ago. And what is more, the bankers only paid the road 9½ percent for these 7-percent bonds—a discount of nearly \$10,000,000.

These bonds mature next July, and it is our purpose to help them renew them at 4 percent, a saving to the road of more than \$3,000,000 a year. This will pay the cost to that road of the social-security tax and leave a handsome balance.

The bankers agreed to a 5-percent rate plus an underwriting charge of a million dollars and an additional 1 percent on such bonds as they might buy. Except for the R. F. C., this, or even a greater rate, would have been imposed upon the road. Incidentally, the bankers thought the deal was buttoned up, and the proposed 5-percent bonds were quoted on the New York market at a premium of 9 percent, or \$10,000,000 more than the road was to get for them.

We tried to prevail upon the bankers to underwrite these bonds at 4½ percent, with a half-million-dollar underwriting charge instead of a million dollars, R. F. C. agreeing to buy up to one-half of the issue if not taken by the road's stockholders and by private investors.

If a bond is good enough for a banking house to recommend to its investors at 5 percent, I fail to understand why it is not a better investment at 4 percent. Certainly the borrower has a better chance of meeting his payments at the lower rate than the high.

This applies with equal force to the small-business man—the man who does not enjoy Triple A credit and cannot dictate terms to his bank.

We will save the Great Northern more than \$11,000,000 on this one issue under the best terms the bankers offered, and that \$11,000,000 will give many a man a job and, incidentally, improve the railroad.

Getting back to bank credits:

The Bank Act of 1935 allows national banks to lend on improved real estate for as long as 10 years, and on unimproved real estate for 5 years. It allows loans to industry by national banks up to 10 years.

Such loans are available for borrowing or rediscount by the banks at the Federal Reserve, and there is no reason why commercial banks should not meet the legitimate requirements of real estate, business, and industry in proper proportions to their lending funds, as provided in the 1935 Bank Act.

And there is no longer any valid argument for extreme liquidity, especially since approximately 98 percent of all depositors are insured by Federal deposit insurance, which makes bank runs extremely unlikely.

There should be a change in the lending policies of many banks so that all deserving borrowers may be accommodated.

I say this with due appreciation of the responsibility which bankers feel for the funds of their depositors and their stockholders and notwithstanding that many banks got in trouble by lending on security that was not readily convertible into cash.

That experience was not a fair test, because of the unprecedented economic avalanche.

Business cannot be carried on without a free flow of credit, based upon a going country, and bankers must adopt that policy if the Government is to quit lending, for as long as banks confine their lending to the Government the Government will be forced to provide private credit.

I do not favor unsound banking in any sense, but most of our bankers have reached a stage where the only loan they are willing to make is one that can be collected practically on demand, or so secured that the collateral can be sold upon short notice. The borrower is given little freedom and little confidence.

Character and confidence are at a low ebb as a basis of credit, and in my opinion, with few exceptions, every man and every woman should have some credit—maybe \$50, maybe much more—but character, confidence in our country and in each other are our greatest assets.

That is why we are talking about Jackson at this time—his character, his principles, and his faith in the country and in the people. Those that believe with Jefferson, Jackson, Cleveland, Wilson, and Roosevelt, in my opinion, interpret the spirit of America.

The responsibility of government is with the President and the Congress, all duly elected by the people. It is for you and me to support them while in office and to register our approval or disapproval at the polls.

CONGRESSIONAL SUBSERVIENCY

Mr. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a radio address which I delivered over the Columbia Broadcasting System on October 2 last.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOLTON. Mr. Speaker, in accordance with the permission given me, I wish to insert in the Record a radio address delivered by me from station WJSV, Washington, D. C., over the Columbia Broadcasting System, Wednesday, October 2, 1935, on the subject of Congressional Subserviency.

President Roosevelt once more is making promises to the American people in the hope of reviving a lost confidence in the New Deal. The President does this in the face of a past record of shattered pledges that makes his new assurances unconvincing. Again it is obvious that he takes for granted that a subservient Congress will do his bidding. But the fact is that proper legislative functioning, impossible under the present New Deal majority in Congress, is one of the great needs confronting the country.

Three sessions of Congress have been held under the New Deal. They had certain characteristics in common. All three were distinguished by the headlong speed and abandon with which questionable and controversial legislation was enacted, by the absence of debate worthy of the name, and by the absolute dominance of the executive branch of the Government. The session which closed late in August was, with the least justification, the most abject and servile of all.

The conduct of the New Deal Congress in this last session, the record of which is fresh in our memories, has caused more apprehension than anything that has gone before in all our long legislative history.

It will be borne in mind that in the earlier stages of the New Deal the gravity of the emergency was such that President Roosevelt was given almost unanimous support of press and public in his demand for action. He had stated with seeming frankness that the measures he proposed were largely emergency measures, and for the period of the emergency only. He had stated further that if these experimental measures failed in their purpose he would be the first to acknowledge it. He had just been elected by an overwhelming majority and the disposition of the country was to trust to his judgment in unprecedented degree.

The country and the Congress did not then appreciate the far-reaching and disastrous effects of the measures he proposed—the radical changes they were to bring about in our national life. The country then had confidence that the President would not go too far with his experiments and innovations. It relied on him to have that appreciation of the consequences of his own acts that is an essential attribute of statesmanship.

To a large extent, therefore, the support given in Congress to the earlier New Deal measures demanded by the President was spontaneous. It may be argued in the light of subsequent events that the people had a right to look to their chosen Representatives to exercise seasoned judgment in meeting the demands of the Executive. But the point is, that the sinister and unsavory aspects of the situation which obtained in the last session of Congress were not then in evidence. A gigantic political machine, which has been turned over to the spoliemen, had not then been set up to enforce administration demands. Unlimited public funds had not been provided to fill to overflowing what has become, in effect, the most gigantic political pork barrel of all time, operating and influencing public opinion and public men after the insidious manner of all other pork barrels, and with the same ultimate disastrous effect on the taxpayer.

In those early days of the New Deal many still nursed the hope that the cost of government was to be reduced and the Budget was to be balanced. Mr. Roosevelt pledged that as a candidate. He agreed to carry out 100 percent the promises in the Democratic platform on these points. It was not then foreseen that, as President, Mr. Roosevelt would repudiate these pledges in the Democratic platform 100 percent.

But all of this was forcefully brought to the attention of Congress in the last session. It was clearly understood by those who wanted to understand. The situation was changed to a marked degree, if not almost entirely reversed. An aroused press and public, including leading Americans of both parties, were demanding that Congress resume its deliberative functions in lawmaking and its rightful place in the control of the finances of the Government to the end that further fruitless experimentation be ended and the orgy of spending and waste be checked. Yet in the face of this Nation-wide demand, and in the light of the alarming situation which had caused it to arise, a pliant and servile New Deal majority, who had power to punish and favors to bestow, put through in its practical entirety, largely under gag rule, an administrative program but little understood, and in the opinion of a great body of the American people, more destructive in its potentialities than anything that had gone before.

This shows the inevitable goal to which such a flagrant disregard of the plain intent of the Constitution leads.

Thoughtful Americans agree with the sentiment recently expressed as that of the President by a New Deal spokesman in a magazine article, purporting to interpret the Presidential mind, that the Constitution was not "intended to stand as a barrier against social and spiritual progress." But they emphatically disagree with the theory that the Constitution may be changed by subterfuge and indirection to conform to the ideas of any political group, however powerful, of what constitutes social and political progress. The Constitution stands in the way of nothing that the American people, in their seasoned judgment, decide that they want to do. It may be changed to meet changed conditions, but only after the whole people have had an opportunity to pass upon the change proposed. Any other method of changing it strikes at the basic theory and form of our Government.

Even the New Dealers now appear to appreciate the force of public opinion aroused against them on this point. Secretary Roper, in what had all the earmarks of an authoritative New Deal utterance, in his speech on Constitution Day, gave us a pretty

strong hint of what is in the New Deal mind when he asked this question. I quote:

"If there is not sufficient constitutional authority for the Federal Government to deal properly with a Nation-wide economic and social crisis, is it the will of the American people to amend their Constitution so that the Government, in times of acute national distress, may, by bold, direct action, avoid utter chaos?"

In the light of the "bold and direct action" taken by the New Dealers, without regard to constitutional authority, vast numbers of the American people shudder to think of where they would be now if there had been no constitutional barriers. The New Dealers desire a change in the Constitution to make the New Deal constitutional. I say let them propose such an amendment and make concrete the issue before the American people. The inevitable trend of the New Deal has been away from our form and theory of government. Do the American people want this?

The American people have the undoubted right to change their Constitution through the orderly processes provided for in the instrument itself. They have the right to remove from the Constitution the safeguards that have protected them in their individual liberties since the birth of the Nation. They have the right to emasculate their Constitution so as to change the essential spirit of their form of government to make it conform to the New Deal theory and philosophy of government. They have the right to make constitutional dictatorship in time of stress. Do you want to do it? Do you want this Nation to proceed on an uncharted course, without limitations of political and Executive action, or do you favor real progress under prescribed limitations, based on fundamental and proven truths?

How clearly Calvin Coolidge foresaw the danger of centralizing power in the Executive when, nearly 10 years ago, he said:

"No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline * * *. Unless bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy."

Let us consider how truly he predicted the inevitable result of such an experiment as the N. R. A., a typical example of the New Deal legislation, resulting from legislative surrender to Executive dictatorship.

When the N. R. A. was passed in the House, under a drastic gag rule, limiting debate to only a few hours, it was frankly stated by its sponsors that it made the President of the United States a dictator over industry for the time being, but that it would be a benign dictatorship. Under the stress and urgency of the occasion the measure was hurried through the Senate, despite its ominous aspects.

It was not long before the American people were to find that it provided, in fact, for a dictatorship, and that the effects of this dictatorship were not benign.

Such was the clamor of public opinion against it, there was general relief when the Supreme Court declared it unconstitutional. Whatever there was of good in it was so outweighed and overborne by the arbitrary, burdensome, and oppressive methods of its administration that this attempt at a benign dictatorship was thoroughly discredited before the Supreme Court gave it the finishing blow. The N. R. A. was so thoroughly discredited, in fact, that it now would be scarcely worth while to mention it but for one thing. Though its body lies mouldering in the grave, its meddlesome spirit goes marching on in the New Deal ranks.

This spirit was exemplified in the last session of Congress by the insatiable appetite of the New Dealers for further control over the activities of American citizens. It lurks in the cautious inquiry of Secretary Roper, which I have quoted. It was unmistakably evident in President Roosevelt's irritation shown at the historic press conference following the announcement of the Supreme Court's decision declaring the N. R. A. unconstitutional. You remember his "horse and buggy" comment.

This spirit of control dominated most of the important legislation the New Deal Congresses enacted. Consider the many acts dealing with industry, agriculture, banking, and labor, all tending to centralize control in the hands of the Chief Executive. Think of the general terms employed in the authorization for administrative initiative and activity in public works and relief, even social reforms, all centered in the hands of the President. Does this correspond to our ideas of a representative form of government, under which the legislative branch is expected to express its definite intent in legislating?

Consider the financial record of these three New Deal sessions, with authorizations for expenditures of over \$30,000,000,000—greater than the entire cost of government from 1789 to 1913, inclusive, and greater than the direct cost of American participation in the World War for fighting and demobilization. Compare these figures with the promises of President Roosevelt. This vast authorization of expenditures was demanded by the New Deal Executive and driven through Congress without regard to the burden to be placed upon the country and its people in the future. A large part of this sum was placed in the hands of the Chief Executive for expenditure at his direction. Does this conform to our understanding of legislative functions and the duty of Congress to determine how the revenue of the country, derived from its people, together with the huge sums borrowed by the New Deal administration, is to be spent?

Even the President seems finally to have realized that American business had had enough for the time being, having announced in his recent letter to publisher Howard that business was to have a "breathing spell." Of course, you remember that was what Max Baer got in the fight the other night between the third and fourth rounds. Doubtless, during that brief "breath-

ing spell" his anticipation of what he was likely to receive in the fourth round was not made more pleasant by his recollection of what he had received in the preceding three. It is not a pleasing duty to remind you of this, but the President will be back soon, and the New Deal Congress will be here again for a fourth round in a few short months.

I believe the American people now realize what has happened and will continue to happen unless our legislative branch of government resumes the duties and responsibilities originally intended. Reassumption of legislative responsibility, clear-cut and well-defined, would not be a backward step. It would be a mighty step forward. It would make possible progress and cooperation to a far greater degree than buck passing and placing in the hands of the President powers and resources never before dreamed of in a democracy—powers greater in many respects than are at the command of the dictators in Europe. Let us return to our representative form of government. Let us return to sanity.

HOSPITALIZATION OF DISABLED VETERANS

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAINES. Mr. Speaker, I want to discuss the bill that is before the House rather than enter into any political discussion. I want to discuss only one section of the bill, which has to do with hospitalization of our sick and disabled veterans. I am pleased, indeed, to note that the committee has recommended an increase of almost \$5,000,000 for hospitalization purposes and that a part of the increase will be for additional hospital beds.

Surely these beds are necessary, for I am quite certain that every Member of Congress is familiar with the great need for additional beds. We have a modern new naval hospital located in Philadelphia which has a capacity of between 900 and 950 beds and at the present time the capacity is rated at 650 beds. The Veterans' Administration in Philadelphia have been most considerate of me in my desire to aid the sick veterans in my congressional district, but unfortunately they have been unable to give me the service that I need for my district due to the fact that they have a limit of 200 beds after March 31 of this year. Up until that date they have available 250 beds, but this will not begin to take care of the applications that come to them from the area in the Philadelphia district.

Upon orders of the medical director, the Veterans' Administration is only permitted to accept applications from metropolitan Philadelphia, which does not include the counties in my congressional district. I find it most difficult at times to have veterans residing in my district admitted, and let me say that it is through no fault or disposition on the part of the Veterans' Administration in Philadelphia.

All applications from my district are then forwarded to the Veterans' Administration facility, Bronx, N. Y., but only to learn that the latter could receive no further applications due to their crowded capacity and long waiting lists for admission from metropolitan New York. All Pennsylvania veterans are entitled to just as much consideration as those who reside in the metropolitan areas, but it is most evident to me that little consideration has been given to that group who do not reside in these metropolitan areas. I stated that the full capacity of this hospital is 900 to 950 beds. This maximum could be made available if the placing of the beds were arranged in such a way as to not overcrowd the hospital. At the present time the beds are placed on 9-foot centers between beds, which is more than is necessary, and if this were reduced, and which would not be causing an overcrowding condition, you could place three beds where you now place two.

Mr. Speaker, I believe it to be our duty to care for these sick and disabled men. I believe that the citizens of our great country expect us to do this. I have the daily census report of this naval hospital as of December 3, 1935, and I shall insert it as a part of these remarks for the information of the House.

This report, subtracted from the estimated capacity of the hospital, clearly indicates a vacant bed capacity of well over 500, available if the budget of the Veterans' Administration

were sufficient to allow the Veterans' Administration to reimburse the Navy Department as per the diem rates in effect.

And yet, notwithstanding all of this, the veterans I represent must wait for weeks and months before given the treatment and care a grateful people want them to have. I am reliably informed that at the present time there is a waiting list for the naval hospital of more than 400 applications which have been reviewed medically and approved for admission if and when the beds become available. With this great new modern hospital built to care for 900 or more patients and then to know that about 200 are being cared for, I am sure we want this additional appropriation used to take care of that long waiting list. If this is true in the Philadelphia area, I believe it must be true also with other districts.

The American Legion in its State convention last year sent me copy of a resolution adopted by the convention asking for an increase in the new naval hospital in Philadelphia to full capacity and that Aspinwall Hospital, in western Pennsylvania, be increased 250 additional beds for mental patients, and that Coatesville Hospital be increased 500 beds for mental patients, and that a hospital be built in northeastern Pennsylvania for general medical cases.

These men are familiar with the needs and are to be commended for their interest in their buddies, and I sincerely hope that very sympathetic consideration be given to the necessity for additional hospital facilities and that immediate action will be taken by those authorized to act. I believe it to be the sentiment of this body to give this hospital care to our veterans, for it is an honest debt the Nation owes those unfortunates who were willing to sacrifice for country and now suffer by reason of their patriotism and service. We can do no less.

Census report for the naval hospital for Dec. 3, 1935, Philadelphia, Pa.

	Admitted	Discharged	Removed
Officers, Navy.....	0	1	5
Officers, Navy, retired.....	1	2	4
Officers, Staff.....	0	1	0
Officers, Navy Reserve Act.....	1	0	1
Officers, Marine.....	1	0	3
Enlisted, Navy.....	0	2	17
Enlisted, Navy, retired.....	0	0	8
Fleet Navy Reservist.....	0	0	10
Enlisted, Marine.....	4	1	20
Enlisted, Marine, retired.....	0	0	1
Enlisted, Army.....	0	0	1
Enlisted, Army, retired.....	0	0	1
Nurse, Navy.....	0	0	1
Nurse, Navy, retired.....	0	0	1
Veterans' Administration patients.....	10	1	253
Beneficiaries.....	1	1	8
Enlisted, Staff.....	0	1	7
Pensioners.....	0	0	1
Employees Compensation Commission.....	0	0	1
Civilian Conservation Corps.....	0	0	8
	18	10	351

NEW DEAL EXPENDITURES DENY YOUTH OPPORTUNITY

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a radio address which I made.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following address which I delivered over the radio on October 30, 1935:

I wish to express my appreciation to the Columbia Broadcasting System for the privilege of talking over the radio tonight.

For 32 months now, Mr. Roosevelt has been President. During that time we have drifted far away from sound principles of government, from the Constitution of the United States, and have given up a large portion of the liberties which have been handed down to us through the ages.

For 3 years prior to the Roosevelt administration the appropriations for each year had run between \$4,500,000,000 and \$5,000,000,000, with a considerable downward trend indicated in 1932. The appropriations to be spent in the fiscal year 1934 aggregated a total of \$8,791,000,000. The appropriations supposed to be spent in the fiscal year 1935 aggregated \$11,534,000,000, and the appropriations of the last session of Congress just closed aggregated \$10,256,000,000. For the fiscal year ending June 30, 1934, the expenditures of the Roosevelt administration were \$7,105,000,000,

and the deficit for the year was \$3,989,000,000. The expenditures for the year ending June 30, 1935, were \$7,375,000,000, and the deficit was \$3,575,000,000. The national debt on March 4, 1933, was approximately \$22,000,000,000. At the present time it is \$34,000,000,000, including the guaranties and the bonus, all of which the President leaves out in his statement.

There is now appropriated and unexpended \$11,000,000,000. All of this, except perhaps a very small amount, has been allocated by the President for one purpose or another. All of it will be spent with the possible exception of \$2,000,000,000 of R. F. C. funds. This leaves total expenditures in sight of \$9,000,000,000 in the year ending June 30 next. The total revenue in sight, including Post Office revenues, processing taxes, and everything else, does not exceed \$3,250,000,000. With the probability that \$9,000,000,000, or at least \$8,500,000,000, will be spent, with a revenue of \$3,250,000,000, this would leave a deficit of upward of \$5,000,000,000 for the balance of the fiscal year 1936. This will make a net public debt of \$39,000,000,000. The President told us on September 30 that he was going to reduce the deficit to \$3,281,000,000 for this year. This can only be done by cutting down the expenditures which he is now planning to make, and the big item with which he proposes to reduce his borrowings is \$158,000,000 of reduction in the General Treasury balance.

So far this year the deficit is way ahead of last year. The 1st of October—for the first 3 months of the fiscal year—it ran \$911,000,000, as against approximately \$600,000,000 for the same period last year. On the 15th of October it showed a more marked increase. The revenue does not show the increase which was anticipated by the President.

PROGRAM MEANS TROUBLE

I have no desire to destroy the confidence of the people, but I cannot see how we can go on with the present spending program and not get into trouble. The President has had appropriated to him for direct relief, without including the R. F. C. appropriations, and without including any other capital stock of Government corporations, or any other items which are called "emergency appropriations", approximately \$12,000,000,000. Of these funds for relief, for emergency conservation work, and for the C. W. A. there has been used approximately \$5,000,000,000. For the promotion of rackets and pet hobbies of the President there has been allocated \$7,000,000,000. You will remember that the President insisted upon an unconstitutional appropriation of money for relief which gave him the authority to use the money as he wished and which did not require him to use it for a particular purpose that Congress should specify.

Under this, upward of a billion dollars has been allocated, and most of it spent on reclamation projects, to bring into cultivation desert land to drive our farmers out of business at the same time that processing taxes were levied for the purpose of taking good land out of cultivation.

RELIEF?

Millions upon millions of dollars have been allocated under the "Chic Sale division" of the United States Public Health Service for the purpose of building sanitary toilets in the mountains of Tennessee, Kentucky, North and South Carolina, Georgia, and Alabama, and then, so that they may be properly embellished, rambler roses have been planted around them at Government expense. And they call this relief!

Even now the President is spending about \$50,000,000 of relief money for the so-called national youth movement, and under this he is using the taxpayers' money to teach young people to act in plays and to dance and to teach them how to make puppet actors and conduct puppet shows and make dolls and all that sort of thing. Imagine, using money that had been entrusted to you for relief for such a purpose.

If only legitimate demands for relief were taken care of by the Federal Government instead of using or allocating \$12,000,000,000 and fooling away the billions which the President has fooled away, we could have provided adequate relief for those who needed it if it had been administered by local organizations with \$2,500,000,000 or \$3,000,000,000. And we would have eliminated the waste which has so demoralized and corrupted the American people.

DEBT AND TAXES

This mounting public debt has reached the stage where the present generation will never be able to meet it. We are going to have inflation to meet the governmental expenditures, we are going to have repudiation, or we are going to have taxes.

Inflation to meet a deficit cannot be controlled and would bring unquestionable disaster.

Repudiation, to me, is impossible.

The only recourse, if we are to permit the President to continue the spending program, is taxes, and this is what taxes mean:

1. In England a man with a family with a \$1,000 income pays \$30 per year income tax. In the United States he is exempted up to \$2,500. On the other hand, the man with a large income in England pays a much smaller tax than we do here. With surtaxes and direct taxes, and the New York State taxes, the tax on the large income has already reached a point where it is 90 percent of the income. That these large incomes cannot be taxed much farther is manifest. We are driving people out of productive enterprises into tax-exempt securities, where they pay no income tax, and there are outstanding \$50,000,000,000 to \$60,000,000,000 of these bonds. These taxes will bear heaviest on people with small incomes.

2. A sales tax on all sales of 2 percent, which might yield \$1,500,000,000 if it was made without exemptions.

3. An increase in the gasoline tax to 10 or 12 cents, whereas the Federal tax is at present only 1 cent.
I do not advocate these taxes, but they are what the continuation of the Roosevelt spending program means.

PEOPLE ENSLAVED

By the A. A. A., by the N. R. A., by the Guffey coal bill, by the social-security bill, and by the direct appropriation to the President of all these funds for his allotment, an attempt is being made through legislation to regiment and enslave the people and tell them what they can raise or produce. By those same bills, the liberty of the American people is destroyed and their opportunity to earn a living is destroyed. The young man of the future is the one who must bear the brunt of the Roosevelt measures. He will be tax-conscious all through his life.

The young man will not have the opportunity to make something of himself as we did in our day, but his course will be mapped out for him by a dictator with supreme power. The policies of President Roosevelt are heading us for financial ruin and for a dictatorship, in which I believe he desires and expects to be the dictator.

Socialism, fascism, or communism—and there is little difference between them except in name—are the goal of the Roosevelt administration. Unless the people wake up and throw the Roosevelt administration bodily out of office, we are going to get into a situation where the Constitution is destroyed, the liberty of the American people is destroyed, the opportunity of youth is destroyed, and business recovery is prevented by terrible taxes.

My idea is to wake the people up before it is too late. The only recourse is the election of a Republican President and a Republican Congress in 1936, and as a preparation for that important event we should lay the foundation by electing our Republican tickets everywhere this year.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves and the disinterment and reinstatement of dead bodies in cases where death has been caused by certain contagious diseases;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan;

S. 2434. An act for the relief of George W. Hallowell, Jr.; and

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 6 minutes p. m.) the House adjourned until tomorrow, Friday, January 17, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

596. A letter from the Secretary of Labor, transmitting a report in accordance with a resolution of the House of Representatives of August 23, 1935 (H. Doc. No. 392); to the Committee on Immigration and Naturalization and ordered to be printed.

597. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting, pursuant to the requirement of section 12 of "An act providing a permanent form of government for the District of Columbia", approved June 11, 1878 (20 Stats. 108), a report of the official operations of that government for the fiscal year ended June 30, 1935; to the Committee on the District of Columbia.

598. A letter from the Secretary of the Navy, transmitting a report of a case of relief granted under the authority of the Naval Act, approved July 11, 1919; to the Committee on Expenditures in the Executive Departments.

599. A letter from the chairman of the Mount Rushmore National Memorial Commission, transmitting the seventh annual report of the Mount Rushmore National Memorial Commission, as provided by the act of February 25, 1929 (H. Doc. No. 336); to the Committee on the Library and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 10213. A bill to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes; without amendment (Rept. No. 1915). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10044) for the relief of Lt. Col. Fernand H. Gouaux; Committee on Military Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 8718) for the relief of William Blakeley; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FERGUSON: A bill (H. R. 10302) to provide for the control of flood waters in the Mississippi Valley, to improve navigation on the Mississippi River and its tributaries, to provide for the irrigation of arid and semiarid lands, and for other purposes; to the Committee on Flood Control.

By Mr. MAVERICK: A bill (H. R. 10303) to provide for the establishment of a National Resources Board and the organization and functions thereof; to the Committee on the Public Lands.

By Mr. LUDLOW: A bill (H. R. 10304) to establish the neutrality of the United States; to the Committee on Foreign Affairs.

By Mr. COSTELLO: A bill (H. R. 10305) to amend the Emergency Relief Appropriation Act of 1935, with reference to the employment of labor; to the Committee on Appropriations.

By Mr. GREEVER: A bill (H. R. 10306) authorizing the Secretary of the Interior to patent certain land to the town of Wamsutter, Wyo.; to the Committee on the Public Lands.

By Mr. WITHROW: A bill (H. R. 10307) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes; to the Committee on Agriculture.

By Mr. O'LEARY: A bill (H. R. 10308) to amend article 3 of the "Rules concerning lights, and so forth", contained in the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States", approved June 7, 1897; to the Committee on Merchant Marine and Fisheries.

By Mr. BREWSTER: A bill (H. R. 10309) to repeal the authority to enter into certain foreign trade agreements and to terminate agreements heretofore concluded; to the Committee on Ways and Means.

By Mr. ELLENBOGEN: A bill (H. R. 10310) to create a Foreign Debt Commission to negotiate with debtor governments for the prompt payment of the debts and obligations due to the United States of America, and for other purposes; to the Committee on Ways and Means.

By Mr. KRAMER: A bill (H. R. 10311) to authorize an appropriation for a survey of beach erosion in the counties of San Diego, Orange, Los Angeles, Ventura, and Santa Barbara, in California; to the Committee on Rivers and Harbors.

By Mr. IGLESIAS: A bill (H. R. 10312) to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; to the Committee on Insular Affairs.

By Mr. MANSFIELD: A bill (H. R. 10313) to provide for hurricane control in the Gulf of Mexico and environs during the hurricane season; to the Committee on Merchant Marine and Fisheries.

By Mr. McLAUGHLIN: A bill (H. R. 10314) to amend subsection (i) of section 4 of House roll No. 9806 of the

Seventy-first Congress of the United States, the same being Public Document No. 330; to the Committee on Interstate and Foreign Commerce.

By Mr. Sisson: A bill (H. R. 10315) to regulate the appellate jurisdiction of the Supreme Court and the jurisdiction of inferior Federal courts and of State courts of cases and proceedings involving statutes enacted to carry out certain powers of Congress; to the Committee on the Judiciary.

By Mr. Smith of Connecticut: A bill (H. R. 10316) to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn.; to the Committee on Interstate and Foreign Commerce.

By Mr. South: A bill (H. R. 10317) providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas; to the Committee on Coinage, Weights, and Measures.

By Mr. Ayers: A bill (H. R. 10318) to provide for the granting of public lands, including the minerals therein, to the States in which they are located, subject to certain terms, conditions, reservations, and exceptions, and also subject to acceptance by each individual State; for the elimination of lands from national forests, parks, reservations, and withdrawals in connection with such grants; for changes in the collection and expenditure of moneys for the United States reclamation fund, and other changes relating to the Reclamation Service, and for other purposes; to the Committee on the Public Lands.

By Mr. Gearhart: A bill (H. R. 10319) to provide for the construction of a post office and Federal office building at Fresno, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. Mead: A bill (H. R. 10320) to revise air-mail laws; to the Committee on the Post Office and Post Roads.

By Mr. West: A bill (H. R. 10321) to amend section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, as amended; to the Committee on Foreign Affairs.

By Mr. Pierce: A bill (H. R. 10322) for the relief of veterans of the Spanish-American War, including the Philippine Insurrection and Chinese Boxer Rebellion; to the Committee on Pensions.

By Mr. Healey: Joint resolution (H. J. Res. 458) to declare the 12th day of October of each year, commonly celebrated and known as Columbus Day, to be a legal public holiday; to the Committee on the Judiciary.

By Mr. Lanhams: Joint resolution (H. J. Res. 459) to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"; to the Committee on Foreign Affairs.

By Mr. Jones: Joint resolution (H. J. Res. 460) authorizing an appropriation to enable the Secretary of Agriculture to meet commitments and obligations, including administrative expenses, incurred under the provisions of the Agricultural Adjustment Act, as amended, and for other purposes; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. Barry: A bill (H. R. 10323) for the relief of Mary Brunjes; to the Committee on Claims.

By Mr. Boehne: A bill (H. R. 10324) for the relief of William E. Rich; to the Committee on Military Affairs.

Also, a bill (H. R. 10325) granting an increase of pension to Sarah A. Bays; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10326) granting an increase of pension to Lyda Powell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10327) for the relief of Claud Gregory; to the Committee on Military Affairs.

By Mr. Burnham: A bill (H. R. 10328) granting a pension to Harriet A. Ward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10329) granting an increase of pension to Ella G. Munhall; to the Committee on Invalid Pensions.

By Mr. Carlson: A bill (H. R. 10330) for the relief of the estate of John E. Callaway; to the Committee on Claims.

By Mr. Chapman: A bill (H. R. 10331) for the relief of J. E. Kearney; to the Committee on Naval Affairs.

By Mr. Evans: A bill (H. R. 10332) to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries; to the Committee on Claims.

By Mrs. Greenway: A bill (H. R. 10333) for the relief of Dorothy White, Mrs. Carol M. White, and Charles A. White; to the Committee on Claims.

Also, a bill (H. R. 10334) to credit the account of Charles C. Stemmer, postmaster at Cottonwood, Ariz., with a sum of money representing the loss by robbery of the post office at Cottonwood, Ariz.; to the Committee on Claims.

By Mr. Halleck: A bill (H. R. 10335) for the relief of Crawford Miller; to the Committee on Claims.

By Mr. Kennedy of Maryland: A bill (H. R. 10336) for the relief of May Howard Bloedorn; to the Committee on Claims.

By Mr. Ramspeck: A bill (H. R. 10337) granting a pension to Fannie A. Ott; to the Committee on Pensions.

Also, a bill (H. R. 10338) for the relief of Clarence D. Schiffman; to the Committee on Claims.

Also, a bill (H. R. 10339) for the relief of Hooper Alexander, Jr.; to the Committee on Military Affairs.

By Mr. Ransley: A bill (H. R. 10340) for the relief of certain purchasers of properties in the city of Philadelphia, Pa.; to the Committee on Claims.

By Mr. Reece: A bill (H. R. 10341) granting a pension to David C. Norris; to the Committee on Pensions.

Also, a bill (H. R. 10342) granting a pension to William W. Ingle; to the Committee on Pensions.

Also, a bill (H. R. 10343) granting a pension to Lou Satterfield; to the Committee on Pensions.

By Mr. Romjue: A bill (H. R. 10344) granting a pension to Sarah Jane Clutter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10345) granting a pension to Harry E. Duffield; to the Committee on Invalid Pensions.

By Mr. Snyder of Pennsylvania: A bill (H. R. 10346) granting a pension to Grace Alberta Schrock; to the Committee on Pensions.

Also, a bill (H. R. 10347) granting an increase of pension to Ella N. Herwick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10348) granting an increase of pension to Emma Duncan; to the Committee on Invalid Pensions.

By Mr. Wadsworth: A bill (H. R. 10349) for the relief of Capt. Francis W. Perkins; to the Committee on Claims.

Also, a bill (H. R. 10350) for the relief of Col. J. P. Barney; to the Committee on Claims.

Also, a bill (H. R. 10351) for the relief of Capt. George W. Martin; to the Committee on Claims.

Also, a bill (H. R. 10352) granting a pension to Arta A. Hunn; to the Committee on Invalid Pensions.

By Mr. Wolfenden: A bill (H. R. 10353) granting an increase of pension to Elizabeth Cavanagh; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9529. By Mr. Biermann: Petition of L. S. Meier, Mrs. J. M. O'Brien, and other citizens, of Allamakee County, Iowa, asking for legislation embodying the principles of the Townsend old-age pension plan; to the Committee on Ways and Means.

9530. Also, petition of P. N. Payne, county agricultural agent of Howard County, Iowa; Dewey Roberts; and others, asking for immediate legislation for the payment of all

remaining current corn-hog benefit checks and for legislation for a suitable adjustment program for agriculture; to the Committee on Agriculture.

9531. By Mr. ANDREW of Massachusetts: Petition of Benjamin Kray and other residents of Newburyport, Mass., protesting against the holding of the next Olympic Games in Germany, and against any appropriation of funds by Congress purposed toward the participation of athletes of the United States in these games unless they are withdrawn from Germany; to the Committee on Foreign Affairs.

9532. Also, petition of Mildred Solomon and other residents of Salem, Mass., and nearby places, protesting against the holding of the next Olympic Games in Germany, and against any appropriation of funds by Congress purposed toward the participation of athletes of the United States in these games unless they are withdrawn from Germany; to the Committee on Foreign Affairs.

9533. By Mr. CULKIN: Petition of 100 residents of the Thirty-second Congressional District of New York, urging Congress to pass House bill 8739, a bill to restore to the District of Columbia its prohibition law; to the Committee on the District of Columbia.

9534. Also, petition of 10 residents of Lowville, Lewis County, N. Y., and of Oneida, Madison County, N. Y., urging passage of House bill 8739; to the Committee on the District of Columbia.

9535. By Mr. CRAWFORD: Petition of 16 citizens of the Eighth Congressional District of Michigan, patrons of star route 37293, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

9536. By Mr. HALLECK: Petition of patrons of star route no. 33301, operating between the cities of Akron and Plymouth, in the State of Indiana, urging compensation for star-route carriers equal to that paid in connection with other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9537. By Mr. DUFFY of New York: Petition of citizens of Rochester, N. Y., protesting against American association with League of Nations sanction activities, and cooperation with the schemes of the British Government as regards sanctions and embargoes; to the Committee on Foreign Affairs.

9538. Also, petition of Monroe County, N. Y., requesting favorable action on House bill 8739; to the Committee on the District of Columbia.

9539. By Mr. GOODWIN: Petition of 75 citizens of Liberty, N. Y., and vicinity, urging the restoration to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

9540. Also, petition of Patriotic Order Sons of America, regarding the registration, deportation of aliens, and their interference in the affairs of the United States of America; to the Committee on Foreign Affairs.

SENATE

FRIDAY, JANUARY 17, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

ROBERT R. REYNOLDS, a Senator from the State of North Carolina, and BURTON K. WHEELER, a Senator from the State of Montana, appeared in their seats today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, January 16, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. HARRISON obtained the floor.

Mr. ROBINSON. Mr. President, will the Senator from Mississippi yield?

Mr. HARRISON. I yield to the Senator from Arkansas.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Holt	Pittman
Ashurst	Coolidge	Johnson	Pope
Austin	Copeland	Keyes	Radcliffe
Bachman	Costigan	King	Reynolds
Bailey	Couzens	La Follette	Robinson
Bankhead	Davis	Lewis	Russell
Barbour	Dickinson	Logan	Schwellenbach
Barkley	Dieterich	Loneragan	Sheppard
Benson	Donahay	McAdoo	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Truman
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hastings	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	

Mr. LEWIS. I announce that the Senator from Washington [Mr. BONE] is absent in attendance on the funeral of Hon. WESLEY LLOYD, late a Representative in Congress from the State of Washington. I also announce that the Senator from Maryland [Mr. TYDINGS] and the Senator from Nevada [Mr. McCARRAN] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

THIRTY-THIRD ANNUAL MEETING OF UNITED STATES GROUP OF INTERPARLIAMENTARY UNION

Mr. BARKLEY. Mr. President, I desire to give notice that on Monday, January 20, at 10:30 a. m., the thirty-third annual meeting of our group of the Interparliamentary Union will be held in the Senate Committee on the Library, on the Senate floor, west side. Every Senator and Representative is ipso facto a member of this group and, as such, entitled to participate in the meeting. The program will include the reading of the minutes of the last meeting, announcements and communications, the report of the Thirty-first Conference of the Interparliamentary Union, held on July 26-31 last in the city of Brussels, Belgium, the election of officers, and other business.

Mr. President, in connection with the notice given by me relative to the forthcoming Thirty-third Annual Meeting of the United States of America Group of the Interparliamentary Union, I ask unanimous consent to have printed in the RECORD the minutes of the last meeting, held in 1935.

There being no objection, the minutes were ordered to be printed in the RECORD, as follows:

The minutes of the last annual meeting having appeared in the CONGRESSIONAL RECORD, Friday, January 18, 1935, it was voted upon the motion of Mr. Carter, seconded by Mr. Eaton, that the minutes be approved without reading.

The permanent executive secretary called attention to certain rules and regulations of the Interparliamentary Union, under the terms of which it is the duty of the United States group to keep the Congress informed, through its committee or through one of its members, of resolutions adopted at the conferences which call for parliamentary or governmental action.

Again, the Interparliamentary Union expects its members to do their utmost to see that the work of the Union is made known in their respective countries, in order to obtain as large a measure of support as possible. The members of all groups are invited "to assist to the best of their ability in the maintenance of peace amongst the nations."

In article 17 of the Regulations for Conferences it is provided that "at the close of each conference the president shall enumerate the principal resolutions adopted which it will be the duty of the groups to present to their respective governments